Political Estrangement Intensified: Anglo-German Commercial Rivalry, 1890-1905

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Contents

Preface

The First World War was the most enormous tragedy the Western World had ever known. The awesome fact of thirteen million people dead burned into the human conscience and made it inevitable that men should ask: "What went wrong? Who was at fault?" Such were the complexities of the tragedy, however, that over the years it has been impossible to draw up a balance sheet of the vices and virtues of each side that would explain the nature of a crusade given to the war by both. The only answer which is both short and true is that men had proved incapable of managing the systems they had produced.

The War demonstrated the fallacy of the assumption that economic development could be divorced from political consequence. As contact between distant points grew easier, as techniques of production improved, international exchange of goods and capital turned from a luxury into an indispensable condition of national growth. An internationally interdependent society was brought into being in which the competition for economic ascendency played a major role. But the political institutions of the time possessed neither the wit nor the experience with which to regulate the needs and temper the ambitions of the mechanized societies which these same institutions had demanded and built.

The tragic uniqueness of pre-War Europe lay in the fact that for the first time social and political life was made to

conform to the demands of economic establishments. Since this was the case, imperfections in the functioning of that economic mechanism accumulated pressures on the social body as a whole. But the truly disastrous factor in this curious phenomenon was that the strength of the political steering helm of the European Powers was too often in inverse ratio to the strength of the socio-economic machine. Thus, Germany, technologically the strongest and most aggressive of the Powers, was defective politically; while England, served by rather old-fashioned machinery, but with an artless assurance of her superior and unassailable right to the world's wealth, generally had a more skillful political apparatus.

By the summer of 1914 the strain of economic tensions was a prime contributing factor in Europe's permitting itself to be cast into a ruinous war, touched off by a comparatively minor political incident. This writer does not believe that economic competition was the sole cause of the Great War, but it is felt that the importance of this rivalry is too often understated in general interpretations of the causes of the War. Nothing suggested hereafter will deny the shattering complexity of the social, political and diplomatic scene or the multiplicity of the factors which contributed to bringing the cataclysm to Europe. But the fact remains that commercial rivalry, ever more popularly viewed as seriously jeopardizing both England's security and supremacy, contributed to increasingly dangerous tensions

in Great Britain for a period of over thirty years. What this paper will attempt to demonstrate is that anxiety, resulting from assumed commercial decline, was, perhaps more than any other factor, responsible for influencing the British Government's decision to meet Imperial Germany on the battlefield.

Introduction

The Meaning of Economic Imperialism in the 19th Century

During the nineteenth century the Industrial Revolution transformed Europe. An inevitable interdependence of nations was the result of the economic, social and political changes, changes deriving directly from the industrial revolution, which was, in turn, based upon the inventions of the last years of the preceding century. Railroads, steam navigation and large scale industry made capital available for investment abroad and opened up entire new continents to Europe. Uncultivated lands were put to use, millions of square miles were colonized and overseas investment made financial contacts and commitments the dominant factor in the economic system of the western world.

The growth of intense nationalism on continental Europe from the middle of the century made short work of Adam Smith's economic internationalism--the principle of free trade--except in Great Britain, which, for reasons peculiar to her world position, could greatly profit from such freedom of trade. Industrially, however, the continent was, compared to Great Britain, immature. The benefits of List's 'protectionalism' were quickly learned and exploited.

Aided by either moderate or extreme protection, the industrialization of Western Europe accelerated rapidly after 1880.

The wealth acquired through this industrialization gave Western European governments the necessary means to influence each other and the more backward nations and areas of the world. The policy of military conquest was succeeded by the policy of economic penetration and thus the part played by the economic factor in international relations assumed signal importance.

Often working had-in-hand with industry, science helped to rapidly change the West, and Germany and England in particular, into highly complex industrialized nations. If industry could have been isolated from politics, science, by 1914, would probably have transformed the Western World into a homogeneous whole. While giving to world progress on the one hand, however, it almost inevitably brought trouble to the political arena. A development such as a more rapid and efficient means of transportation necessarily resulted in lower prices. Quantity production followed and this created the necessity for larger and more extensive markets. Parallel to this grew the requirement of obtaining more and more raw materials to import into the home industrial state under the most favorable conditions. Hence, the industrialized state's desire for 'colonies', 'zones of influence', 'spheres of interest'. It is hardly suprising that in many, if not most, senses economic needs and forces dominated European politics during the period from 1880 to 1914.

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Another important factor in evaluating the effect of the industrial revolution in Europe was the increase in population and its crowding into the cities. Western European governments

could put rapid industrialization to good use by using it to help stem what earlier in the nineteenth century had reached a flood-tide of emigration. Germany especially was to utilize such a program to meet her problem of mass emigration.

The question of expanding industrial population raised yet another problem for governments. By the 1880's no Western European nation was agriculturally self-sufficient and it became imperative to buy foodstuffs from abroad in ever increasing quantities. And how much more profitable it was if 'from abroad' meant 'from colonies', or, at worst, 'from zones of influence'.

These economic changes brought about great modifications in the relative power of the nations and gave birth to new ambitions. England, during the first three quarters of the nineteenth century, had enjoyed uncontested supremacy; her world-wide interests had virtually enabled her to detach herself from continental Europe. She had truly become the great World Power. Confident in her commercial and industrial prosperity and her wealth, she saw no threat to her political structure. In the closing years of the century, however, the splendid assurance began to be shaken; dangerous economic rivalries asserted themselves, and they threatened to intrude into politics. France alone of the Western Powers held to a mixed economic system in which agriculture maintained itself on a par with industry. Having little heavy industry and better equipped to feed herself than the other powers, France escaped much of the bitterness

in what came to be interpretated as a life and death commercial conflict between Great Britain and Germany.

During a period of less than thirty years Germany rose up to challenge England's leadership. Rich in coal, Germany had both the foundation and ambition to build herself into an industrial power. And it was on the shoulders of industry and commerce that her rulers had decided she would stand and claim her position as a great power. Even if she were willing to forego actual possession of a colonial empire (which she was not) Germany's new industrial prowess demanded an economic imperialism. She now, as the other Western Powers, had to have markets and sources of raw materials to survive.

In general, the international crises which shook Europe from time to time during the two decades before the War were but surface manifestations of the deep undercurrent of imperialism. It has been argued that the raison d'etre of world politics was imperialism during those same years. And apologists of imperialism more often than not rooted their arguments in the grounds of economic necessity.

Cases of typhoid take the following course:
When the fever is at its height, life calls to the patient: calls out to him as he wanders in his distant dream, and summons him in no uncertain voice. The harsh, imperious call reaches the spirit on that remote path that leads into the shadows, the coolness and peace. He hears the call of life, the clear, fresh, mocking summons to return to that distant scene which he had already left so far behind him, and already forgotten. And there may well up in him something like a feeling of shame for a neglected duty; a sense of renewed energy, courage, and hope; he may recognize a bond existing still between him and that stirring, colourful, callous existence which he thought he had left so far behind him. Then, however far he may have wandered on his distant path, he will turn back--and live. But if he shudders when he hears life's voice, if the memory of that vanished scene and the sound of that lusty summons make him shake his head, make him put out his hand to ward off as he flies forward in the way of escape that has opened to him--then it is clear that the patient will die.

Thomas Mann in
Buddenbrooks

Chapter I

The Early Activities of the Hanseatic League and Colonial Movements up to 1890

If the term 'colonization' is used only to refer to the acquisition of foreign lands and economic concessions, Germany became a colonial power a half-century after the other Western Powers. But if the German Empire was a latecomer to the nineteenth century colonial free-for-all, it was not due to lack of past colonial initiative or enterprise. The German races had indeed begun to 'colonize' a great part of Europe from the fifth century onwards and by 900 A.D. the German Drang nach Osten was well under way.[1]

If the term 'colonization' is used in a broader sense to include the establishment of trading colonies, and the winning of spheres of commercial influence overseas, Germany had, if anything, a considerable headstart over the rest of Europe through the Hanseatic League. These Hansa merchants made German commercial power second only to the Italian in the Middle Ages and it was their descendants who revived German colonization in the nineteenth century.

By the thirteenth century German merchants had organized

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[1] This took the form of three more or less parallel migratory movements. The first swept southeast into Austria, Hungary and parts of Poland; the second settled the fertile lands of the Elbe and Oder, and the third moved northeast along the Baltic coast. All three movements resulted in a displacement of Slav political domination.

their towns and cities into alliances and leagues for protection, improvement of roads and for regularization of customs, laws and coinage. After considerable rivalry and strife, these finally merged into a 'centralized' German Hansa. At the beginning, the principal scene of the Hansa's activity was the Baltic Sea. But their commercial influence gradually spread from Russia, Sweden, Denmark and Norway to embrace such strategic trading centers as London, Bruges and Venice. Although the Hanseatic League never promoted colonization, meaning settlement, in any sense whatsoever, their influence upon German colonization was a very real one.

> In the Baltic lands especially, the Germans became the pioneers of commerce: they taught navigation, trading methods, commercial law; they carried goods from the Far East and Europe into northern lands and, although they did not mingle with the inhabitants, the life of their Factories, veritable oases of German religion, art, culture and economic life, could not help but leave an indelible impress upon those countries in the formative stage of their existence.[2]

The Age of Exploration brought with it the beginning of centralized dynastic nationalisms in Western and Southern Europe. Although these new movements helped to break the trading monopolies once held by the Hansa merchants, the spirit and traditions of the League still survived through its participation in the exploratory voyages of the Spanish and Portuguese. Most of the League's contributions were of no lasting effect but that its share was not entirely insignificant is shown by the fact that in the first half of the sixteenth century, the Welsers, a German

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[2] Mary E. Townsend, The Rise and Fall of Germany's Colonial Empire (New York: The Macmillan Company, 1930), pp. 10-11.

banking and commercial house, governed part of Venezuela for some thirty years, and Federmann, one of the settlers, explored Columbia.

Although Welser and several other German firms entered into many other colonial speculations, they were not, over the long term, of lasting commercial consequence. Their significance lay in keeping alive the colonial tradition and handing it down to the merchants of Hamburg and Bremen who, in the early nineteenth century, were to solidly lay the foundations of the modern German colonial and commercial empire.

The Hanseatic League continued to operate for a considerable time within the new monarchial framework of non-German empires, but the true power of this distinctly feudal structure had been on the wane since the beginning of the sixteenth century. With the rise of jealous, ambitious and exclusive dynastic nationalism this remnant of the commercially less-restricted past was doomed. To identify its cause of demise as the Thirty Years War is to name what was, in reality, only the coup de grace.

The close of the Middle Ages saw centralized monarchies emerge in Spain, France, Holland and England. But Germany, now nothing more than a geographical expression, was left ravaged by feudal warfare among her independent princes. This naturally precluded the concentrated national activity necessary for the establishment of oversea dominions; an establishment upon which the Western States were embarking.

With the emergence of Brandenburg-Prussia, a state-directed

colonial policy pursued for both economic and political ends came into being in Germany. Unfortunately for Germany, however, the early Hohenzollerns were never powerful nor free enough to press their claims vigorously.

The Great Elector, the most effective pursuer of a colonial policy of the early Hohenzollerns, was reported to have said, "Trade and commerce are the most important foundations of a state."[3] Having stated so, he embarked upon founding the African Commercial Company which successfully established itself on the Gold Coast. He also bought two trading stations on the south-east coast of India, negotiated commercial treaties with the Shah of Persia for the import of raw silk, and gained a part of the island of St. Thomas, where he tried to maintain a slave station.

Due to internal conflict and necessities, the Great Elector's grandson, Frederick William I, had a greater need for money with which to pay his soldiers than for overseas expansion. For the trifling amount of 7,200 ducats and twelve negroes[4] he sold all Prussian interests in Africa to the Dutch. Thus Prussia disappeared from Africa in 1725.

Prussia under Frederick the Great was so absorbed in European wars and reconstruction that when pushed by German merchants to continue the tradition of German colonial commerce, Frederick is said to have replied, "All distant provinces are a burden to

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[3] Ibid., p. 14.

[4] Ibid., p. 26.

the state. A village on the frontier is worth a principality two hundred and fifty miles away".

A popular consciousness of the desirability of owning colonies began to demonstrate itself in Germany just after the Vienna settlement of 1815. As early as 1817 a Hans von Gagern urged the German Diet to take some action in redirecting the ever swelling volume of German emigration.[5] By the forties the political economists had hopped on the bandwagon. The most influential of these men was Friedrich List who, in his National System of Political Economy, advocated a strong colonial policy in all its phases.

> A vigorous German consular and diplomatic service ought to be established. . .Young explorers should be encouraged to travel through these countries and make impartial reports upon them. Young merchants should be encouraged to inspect them. . .Enterprises should be founded and supported by stock companies and taken under governmental protection. Companies should be formed in the German seaports in order to buy lands in far countries and settle them with German colonists; also companies for commerce and navigation whose object would be to open new markets abroad for German manufacturers and to establish steamship lines. . . Colonies are the best means of developing manufactures,

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[5] Ibid., p. 33. Unfortunately, no actual statistics on the rate of emigration for the early nineteenth century could be found. Only one figure, that of 800,000 Germans emigrating between the years 1815 and 1849 was available in Wolfgang Kollmann, "The Population of Germany in the Age of Industrialism", trans. Herbert Moller, in Population Movements in Modern European History, ed. Herbert Moller, (New York: The Macmillan Company, 1964), p. 101. Kollmann quotes an interesting 1818 letter from an Arnsberg official to his superior, the lord lieutenant of the Prussian province of Westphalia, which reads in part: "The craze to emigrate to America has become an epidemic in the two counties of Wittgenstein and is arousing our special concern. 14 heads of families with 71 dependents and 24 single persons, altogether 109 souls, have made official application for permission to emigrate; the assets which these people take along

export and import trade and, finally, a respectable navy.[6]

List's insistence on the need of colonies for the furtherment of trade is interesting in that it early introduced the subject of a navy by which these colonies were to be held and protected. The idea of a German navy was thereafter never entirely forgotten and it was around this same issue that much British apprehension would later center.

It was in part the very lack of development in her commerce and shipping that had for so long delayed the emergence of any overseas German influence. German recovery from Napoleon's Continental System was slow and most of her sea-borne trade was carried in English and Dutch ships. In the thirties and forties the Prussian mercantile marine expanded with the revival of the Baltic corn trade, but even more import was the rise of the shipping of Hamburg and Bremen in the great Atlantic trades. Between twenty and thirty German vessels were bringing sugar and coffee from Brazil in the early thirties.[7]

During these same few decades there suddenly appeared in

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has been registered to the amount of 7,561 Taler of Berlin currency. Still more people are reported entertaining the intention of pursuing the same fate. In the neighboring Hesse-Darmstadt the same wandering spirit is said to have erupted." Ibid.

[6] Friedrich List, National System of Political Economy, trans. Sampson S. Lloyd, (London: Longmans, Green and Company, 1922), p. 347.

[7] W. O. Henderson, Studies in German Colonial History (London: Frank Cass and Company, Ltd., 1962), p. 3. For a short sketch of later German shipping history, see Koppel S. Pinson, Modern Germany (New York: The Macmillan Company, 1954), pp. 225-226.

Germany a veritable flood of books, pamphlets and publicity dealing with little known parts of the world. Popular interest was aroused and in 1868 the Central Society for Commercial Geography and German Interests Abroad was founded with offices in every leading German city. This same interest led to several dozen small (and mainly unsuccessful) colonial movements in both North and South America.[8] The development of trade with these two continents had already proceeded rapidly. In 1845 there were 343 German business houses, not counting retail stores, in non-European countries: one hundred and thirty-four in the United States, forty-eight in Mexico, three in Texas, one in Central America, thirty-four in the West Indies, ninety-eight in South America, fourteen in India and China and eleven in Africa.[9]

Individual initiative on the part of descendants of the old Hansa merchants was paying off. By 1870 German merchants and traders had made themselves prominent in Africa, the South Seas and South America. In several areas in Africa (notably Zanzibar, Witu and West Africa) German merchants controlled most of the trade. Zanzibar had 'fallen into' the hands of the Hamburg firm of O'Swald, the only competition offered them being that of Indian firms under the protection of the British.

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[8] See Townsend, op. cit., pp. 37-41 and Henderson, op. cit., pp. 1-3 for a more or less complete account of these American colonial enterprises.

[9] Archibald J. Wolfe, Theory and Practice of International Commerce (New York: International Book Publishing Company, 1919), p. 291-292.

But even in 1874, German export trade from Zanzibar amounted to three times that of the British.[10] Woermann held a powerful position on the Cameroons coast and the Hamburg house of Godeffroy held a virtual monopoly on the Samoan copra trade and had created numerous trading depots in the Western Pacific.[11]

Unification and increasing industrialization brought with them two basic ingredients for building a colonial empire if Germany so wished--a strong, centralized government and a rising middle class. The problem of emigration once again acted as a spur to further investigation of the question. Over a million Germans went to the United States between 1830 and 1860[12] and 970,000 in the decade 1862-1870.[13]

It was also pointed out that German explorers and traders were often reduced to serving foreign governments as they had

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[10] Mary E. Townsend, "Commercial and Colonial Policies of Imperial Germany", Imperialism and Colonialism, eds. George Nadel and Perry Custis (New York: The Macmillan Company, 1964), pp. 130-131.

[11] See both Townsend, The Rise and Fall of Germany's Colonial Empire, op. cit., pp. 44-50 and Henderson, op. cit., pp. 3-29 for detailed accounts of the operations of German merchants in these early colonies.

[12] Henderson, op. cit., p. 2.

[13] Townsend, The Rise and Fall of Germany's Colonial Empire, op. cit., p. 36. These figures are high compared to J.H. Clapham's estimates of this same decade in which he describes German emigration as 'slack'. See his Economic Development of France and Germany: 1815-1914 (Cambridge: The University Press, 1963), p. 208. But they agree with the estimates of the Historical Section of The Foreign Office's German Colonization (London: H.M. Stationary Office, 1920), p. 9.

no help from their own. A stunning example of this was Leichhardt's crossing of Queensland from Sydney to the Gulf of Carpentaria in the forties and virtually adding "a vast and valuable province to the British Empire".[14]

With the establishment of the German Empire in 1871 colonial enthusiasts became even more vocal in their demands that the Government provide colonies for emigrants, fresh sources of raw materials and new markets for manufactured goods. But Bismarck, fearing a colonial quarrel with England just when he was anxious to keep France isolated, rejected the pleas of businessmen and financiers for as long as he could. Eventually, however, the arguments of German traders interested in expansion overseas began to have their effect upon the Chancellor. Although he felt that neither the foreign nor domestic situation were favorable for any immediate action, he was admitting, privately, by the mid-1870's, that Germany could not dispense permanently with colonies.

In 1874 German settlers in Fiji had been uncermoniously evicted when England annexed the island. Bismarck kept the question of indemnities open for several years with Lord Salisbury and the fact that these indemnities were never collected was, according to Herbert Bismarck, greatly responsible for

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[14] The expression is Lang's. Quoted in Henderson, op. cit., p. 2. In 1869 Gerhard Rohlfs, returning from an exploration of the Cameroons, appealed to his countrymen: "Is it not deplorable that we are obliged to assist, inactive and without power to intervene, in the expansion of England in Central Africa?" Quoted in The Historical Section of the Foreign Office, op. cit., p. 16.

convincing Bismarck of the pressing necessity for a German Kolonialpolitik.[15]

Still Bismarck hesitated. The time was not yet ripe. He needed the support of the National Liberals in the Reichstag and he knew he would lose it if he openly advocated a colonial policy. In 1879 the adoption of a policy of protection indicated the rise of economic nationalism. Having gained the support of the conservatives by the reversion to protection, Bismarck felt strong enough to introduce a Samoan Subsidy Bill to subsidize the interests of the Godeffroy firm which had failed in 1878. This would have maintained Germany's position in the Samoan Islands by underwriting a new company to take over Godeffroy's rights from their creditors, the London firm of Baring Brothers. The Reichstag threw out the proposal and Bismarck recognized that the time for founding colonies had still not arrived.

But the popular colonial movement continued to gain momentum and books like Friedrich Fabri's Does Germany Need Colonies?, in which was found a strong economic motive for overseas territories, and Hubbe-Schleiden's Deutsche Kolonisation, which advanced a political argument for the desirability of colonies, were widely read. A new wave of emigration which followed the industrial depression of the seventies caused some

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[15] For the full description of how the Fiji experience influenced Bismarck see Dr. William Solf, "Germany's Colonail Policy", in Modern Germany in Relation to the Great War, trans. W.W. Whitelock (New York: Nitchell Kennerley, 1916), pp. 143-144. Dr. Solf was German Secretary of State for the Colonies from 1911 to 1918.

alarm when in 1881-85 it amounted to 4.3 per thousand of the population.

In 1882 the Kolonialverein was founded in Frankfort by men of all parties and of various professions. Contemplating modest aims, the constitution ran,

> Its principal work is to educate public opinion. . . to form a central organization for colonial ambitions. . . not to found colonies which would involve the government in serious political difficulties; but to confine its efforts to the establishment of small trading stations and to strive for the official protection of the administration.[16]

In 1887 the Kolonialverein combined with Karl Peters' Die Gesellschaft für Deutsche Kolonisation which advocated an active policy of immediate annexation. The unified society, Die Deutsche Kolonialgesellschaft, quickly became a powerful and influential factor in the German colonial movement.

After 1880 complaints that Germans working overseas suffered from a lack of Imperial protection increased in number. At the same time the activity of the British in West Africa, the French in Tunis and the Italians on the shores of the Red Sea all heralded a new scramble for colonies. Bismarck decided he was now strong enough to act on behalf of the Government. The Chancellor had privately admitted of the economic necessity for colonies for several years and had actually given quiet Government support to help protect imperial trade in the

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[16] Cited in Achille Viallate, Economic Imperialism and International Relations During the Last Fifty Years (New York: The Macmillan Company, 1923), p. 22.

late seventies.[17] But it was not until he had behind him the Dual Alliance (1879), the League of the Three Emperors (1881) and the Triple Alliance (1882) that he felt secure enough to brave any British opposition in colonial affairs.

During 1882-83 Bismarck had reopened the question of a settlement for the Fiji evictees with the British and the negative response to that and the 1884 Anglo-Portuguese treaty which established a monopolistic control of the Congo river served to create popular German resentment over the high-handed methods of the English. Encouraged by what he felt to be the first full 'national' support the Government had been given in colonial questions, Bismarck asked what claims Britain had to territories in the Angra Pequeña district in South West Africa. Britain replied that she held Walfish Bay and the Guano Islands and that her rights would be infringed by any claims to lands between Cape Colony and Angola. Bismarck demanded to know on what grounds Britain made this claim. No reply was forthcoming and on April 24, 1884, Bismarck placed the establishments of the German merchant Luderitz at Angra Pequeña under Imperial protection.[18]

Thus was established the first of Germany's Schutzgebiete.

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[17] Townsend, "Commercial and Colonial Policies of Imperial Germany", op. cit., p. 134. See this essay for an interesting opinion of how great a role commerce played in Bismarck's grab for colonies.

[18] F.A.E. Luderitz was the head of a large mercantile house in Bremen who had long been interested in trading possibilities in Africa. Since 1876 he and Bismarck had been on close terms and it was greatly due to his influence that Bismarck was finally persuaded to inaugurate a colonial policy.

Most of the rest of colonial Germany was founded during the next six years--before Bismarck's retirement. During the 1890's Kaiser Wilhelm obtained a naval base at Kiao Chow, some Pacific Islands from Spain, part of the Samoan Islands and the Cameroons. Perhaps the Kaiser's biggest coup was the 1903 concession to build the Baghdad Railway. Bismarck, however, was responsible for the African possessions, Heligoland, a quarter of New Guinea, a group of the Solomon Islands, the Bismarck Archepilago and the Marshall Islands.

Although these 'protectorates' were to prove neither self-sufficient nor of great trading advantage (with the exception of Togoland), several points can be made which strongly indicate that the Government's original conception of their basic value was commercial. In 1890 the Chancellor created a Kolonialrat, or Colonial Council, which was to act as an advisory council to the Colonial Section of the Foreign Office. Of the nineteen members originally named, twelve represented mercantile firms doing business in the colonies. In 1907, when the central administration was reformed, the membership of the new permanent commission for the economic affairs of the colonies was again drawn from the chambers of commerce of such cities as Hamburg, Bremen, Cologne, Mannheim and Chemnitz.[19]

Another indication leading to this conclusion was Bismarck's desire to have the colonies governed by chartered companies. He originally argued that merchants from Hamburg and

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[19] Townsend, "Commercial and Colonial Policies of Imperial Germany", op. cit., p. 134.

Bremen--with their long experience in the Cameroons, Zanzibar and Samoa--should shoulder the responsibilities of colonial administration.[20] This was in line with his belief that the flag should follow trade and the traders themselves should administer the colonies. It was also compatible with his more purely practical desire to reduce to a minimum the responsibilities of the home government.

That the Chancellor did not get what he wanted in this case (for even when Charters were given to companies to govern some of the colonies, the companies were not actually practicing mercantile firms) does not change the original intent.

Germans saw many reasons for the necessity of colonies: gaining prestige as a world power, having her own overseas territories to settle her emigrants, finding markets for her manufactured goods and sources from which to gain her raw materials, areas in which to invest her surplus capital and the need for footholds from which to venture forth in search of further Empire. It is the contention here that the economic motives were predominant. But even if this assumption is granted, the founding of a world Empire served only to add to Germany's problems rather than help solve them. For once she had her Empire she was faced with the problem of protecting it. And, "If the English prohibit our passage along their coasts, we are caught in a trap".[21]

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[20] Henderson, op. cit., p. 11.

[21] Paul Rohrbach. Quoted in Viallate, op. cit., p. 113.

Out of old problems rose new ones. Germany was not alone in this dilemma in the age of economic imperialism but she was the newcomer, the challenger. And so great was her potential, so dangerous her ambitions, that the future Allies set out to do all in their power to prevent any further German expansion--territorially or commercially.

Germany's rise has been favored by the fact that the political and economic union of Germany coincided with the most wonderful technical progress that humanity had ever seen. And this technique, founded on the methodical knowledge of nature, corresponded exactly in a most brilliant manner with one of the traits of our national temperament--exact and laborious energy.

Paul Rohrbach, August, 1912

Chapter II

The German Industrial Mechanism

A. Contributing Factors to the Rate of Growth in Germany during Her Industrial Revolution

Between 1871 and 1914 the development of industrial capitalism in Germany proceeded with such rapidity that she caught up with, and, in certain important spheres, surpassed Great Britain. In the course of just over thirty years Germany experienced what England had taken over one hundred years to complete--the change from an essentially feudal and agrarian nation to a modern and highly efficient technological state. During this period Germany was transformed from a nation of 'poets and thinkers' into a country in which technological skill, financial and industrial organization and material progress became the outstanding features of public life. Characteristics of the era were an increase in population, widespread urbanization, increased prosperity for a larger section of the community and the broad extension of world trade. National income increased from 23,500,000,000 marks in 1896 to 43,500,000,000 in 1913, while per capita income moved from 450 marks to 645 marks during the same years.[1] An even more illustrative statistic is the hundred and thirty per cent increase in the consumption of meat

[1] It was not a period of total and undisturbed economic prosperity. There were both mild and more severe depressions in 1873, 1877, 1900 and 1907-08. But the general economic trend was definitely upward.

per head in Germany between 1860 and 1900.[2]

Many factors were responsible for this remarkable upsurge of material prosperity but perhaps the primary catalyst was the 1871 annexation of Alsace-Lorraine in that the new iron-ore deposits could be, thanks to the Thomas-Gilchrist method, worked in conjunction with the already existing heavy industry and coal of the Ruhr and Saar basin.

Even the abundance of natural resources, however, cannot account for the astounding strides made by German heavy industry unless one also remembers that Germany was the first state to fully realize the modern conception of utilizing the discoveries of science in the perfection of industrial processes. This peculiar characteristic of German science and industry to combine forces for a common goal is not one that should be forgotten when considering the amazing rate of German industrial growth.

Another important factor resulting in early planning on the part of Berlin authorities was the fact that after 1815 Prussian territory was not continuous. The Rhenish-Westphalian area which had been awarded her at Vienna to help Prussia play the role of 'warden of the German gate against France' was seperated from Prussia by Hanoverian and Hessian land. But the Rhine provinces had the great advantage of having been under French occupation and thus much antiquated legislation had been abolished. Another important result of French rule had been road construction. These same roads were improved and extended

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[2] J.H. Clapham, Economic Development of France and Germany: 1815-1914 (Cambridge: The University Press, 1963), p. 403.

by the Prussian Government and were of major assistance to the heavy industry which developed rapidly after 1840.

In 1821 the Gewerbe Institut was established in Berlin. The object of this institution was the dissemination of knowledge of new industrial methods and the encouragement of experiment. The work carried on in the Prussian capital played an important role in the overall advance of industrialization and was used to influence provincial development towards the requirements of the State as viewed from Berlin.

It was partially the need for easier and more efficient trade relations with her new provinces that led Berlin to take the momentous step of abolishing all provincial tariffs and establishing free trade within Prussia in 1818. This eventually led to the formation of the Zollverein in 1834.

Although the creation of the Zollverein was a step of portentous economic significance in Germany, its role can be over-estimated. By 1840 (only six years after the economic union of the German states) English observers noted that the Union had acted only as a stimulas to, rather than the originator of, German material prosperity.[3] But the original creation of a German economic union in 1834, one which gave German agrarians and industrialists over forty years to acquaint themselves with each others requirements and opinions, was of invaluable help to Bismarck when, in the 1870's, he saw the

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[3] See Dr. John Bowring's Report as quoted in Clapham, op. cit., pp. 101-102.

need of changing from the free-trade policy of the Zollverein to the protectionalist policies of Imperial Germany.

A remaining factor contributing to the German technological success was, paradoxically enough, the late date at which she started her industrial development. This apparent handicap enabled the new Empire to escape the period of experimentation and avoid the mistakes upon which Great Britain and France had, naturally enough, been forced to waste so much energy, expense and time. For, "having no obsolescent equipment and no out-of-date trade connections", her captains of industry were free to

> take over the processes of the new industry at their best and highest efficiency, rather than content themselves with compromises between the best equipment known and what used to be the best a few years ago.[4]

The scope of development in heavy industry is revealed clearly in the following tabulation of production figures.[5]

		Germany (metric tons)	Great Britain (metric tons)
Coal	1871	37,900,000[6]	118,000,000
	1900	149,300,000	228,800,000
	1913	279,000,000	292,000,000

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[4] Thorstein Veblen, Imperial Germany and the Industrial Revolution (New York: B.W. Huebsch, 1915), p. 194. For a brilliant illustration of this, see G.C. Allen's description of how the British steel industry was handicapped by all her old machinery which, in situation and construction, was more suited to the iron than to the steel age in his British Industries and Their Organization (London: Longmans, Green and Co., Ltd., 1954), pp. 100-104.

[5] These figures are taken from J.H. Clapham, op. cit., pp. 281 and 285.

[6] The figure for German coal includes the production of lignite. While importing coal from Great Britain and Austria, Germany was now exporting it to France, Belgium, Holland and Switzerland.

		Germany (metric tons)	Great Britain (metric tons)
Pig Iron	1880	2,729,000	7,873,000
	1900	8,521,390	9,103,000
	1910	14,794,000	10,172,000
Steel	1880	1,548,000	3,730,000
	1900	7,372,000	5,981,000
	1910	13,149,000	7,613,000

The general economic indicators of the two countries in relation to the United States can be seen in the following figures.[7] The ratio is for the years from 1893 to 1913.

	Per Cent Increases		
	United Kingdom	Germany	United States
Population	20	32	46
Coal production	75	159	210
Pig iron	50	287	337
Crude steel	136	522	715
Exports of raw materials	238	243	196
Exports of manufactures	121	239	563

The above figures illustrate that it was during the period from 1890 to 1910 that Germany replaced England as the first industrial nation of Europe. Before the late 1880's no one had ever considered making any kind of serious comparison between Germany and Great Britain but now such statistics began to have international significance.[8] Only the United States was ahead of Germany as an iron and steel producer and the U.S. was not fully considered a part of the political world as the Americans

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[7] R.C.K. Ensor, England 1870-1914 (Oxford: Clarendon Press, 1936), p. 503.

[8] See Helen Hunt Jackson's article "Krupp Works at Essen" in Harpers Magazine, LXXII (1885) which is a glowing report on German efficiency and production. Also, Leonard Montefiore's "Alsace-Lorranine Since 1871" in Nineteenth Century, VI (1879), for a picture of the German heavy industry.

were still engrossed in consolidating the 'Last Frontier' to the nation.

The fast-developing United States did, however, catch the eye of more than one Englishman. But cultural and linguistic ties were apparently considered strong enough to remove it from consideration as a threat to British supremacy. Also, "The U.S. is really England's most formidable rival but since she is mainly self-supporting and can hold Britain in check by her commanding position over Canada", the British were content to concentrate on her "minor rival Germany".[9]

German economic development owed a great deal to foreign influences--notably to British and American. Foreign technical inventions, capital investment, examples of business, industrial and shop organization and various other 'borrowed' facets of economic life all played an important part in the industrialization of Germany. The Germans never tried to hide how much they had copied from England and America in matters of technical knowledge, and one American, at least, felt that

> The industrial supremacy of Germany is the effect of definite and deliberate political action. Thirty years ago the German statesmen realized that the nation was inferior to the American and British in natural resources and natural ingenuity; this inferiority forced upon their attention the value of thrift and of education. Thrift was multiplied by capital, and education multiplied by industrial efficiency.[10]

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[9] C.S. Goldman, "A German View of the Anglo-German Problem", Nineteenth Century, LXV (1909), p. 349.

[10] W.H. Dooley, "German and American Means of Production", Atlantic Monthly, CVII (1911), p. 653.

So the Germans borrowed--heavily. America and England served as models of shop-organization and laboratories for untried equipment. Germany, having started her industrialization so late, was in the enviable position of having had the rest of the Western World do the early experimenting while she garnered only the best of the results. Only the newest and the best of machines and tools were imported into Germany and experts in both labor management and technical advancement were lured into Germany to train her new-born industry.[11] But Germany, to a resentment peculiar to the English, added a special and overwhelmingly successful ingrediant of her own to her burgeoning industry: an efficient, scientific and technical education of her people. When the Government decided that it was to be through commerce that Germany would seek 'world' status, the entire country was mobilized educationally.

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11 Ibid.

B. Germany's Commercial and Industrial Education System

The beginning of Germany's modern educational system dates from the same period which saw the introduction of so many reforms, the days the German States spent under Napoleon. King Friedrich Wilhelm said after the defeat of Jena, "The State must regain by intellectual power what she has lost in material power, and to this end I desire that everything may be done to extend and perfect the education of the people."

Johann Gottlieb Fichte had coined the term 'national education' in his impassioned Addresses to the German Nation and Wilhelm von Humboldt, Friedrich Wilhelm's Minister of Education, helped to build a unified school system which he felt to be the most solid foundation of such a uniform national education. Secondary and university education were strictly and organically correlated, and all professional and vocational training was excluded from the Gymnasium and delegated to the universities and polytechnical institutes of university rank. For the time being, the more scientifically and technically oriented Realschulen were temporarily pushed into the background.

The result of the subsequent drive for educational superiority led not only to better universities, but, with the practical tendencies of the machine age making themselves felt, caused corresponding changes and shifts of emphasis in the educational curricula of secondary schools and universities.

The old humanistic Gymnasium continued to offer thorough training in Greek and Latin, but the new Realgymnasium, which tried to affect a compromise between the liberal arts curricula of the humanistic Gymnasium and the demand for due consideration of scientific and technical training and proficiency in modern languages, was fast gaining ground. By the mid-century, educational 'realists' were successful in creating an entirely new type of Bürger-Gymnasium, or Realschule, whose curricula was made up chiefly of technical subjects, and which had as its object the preparatory training of specialists in commercial and industrial pursuits.

To the same degree to which the 'realistic' secondary schools adjusted their curricula to the practical requirements of the industrial age, the universities on their part submitted to the trend of specialization and assumed the character of professional training centers for scientists, physicians, jurists, educators and theologians. And the increasing demand for advanced technological training led to the creation of polytechnical institutes (Technische Hochschulen) of university rank, open to those who had completed their prescribed course (nine years) of secondary schooling.

Such then, in general outline, is a picture of educational trends in Germany in the nineteenth century. But of perhaps even greater consequence to the overall industrial development of the country was the intense emphasis placed on the need to

educate the worker, from the lowliest laborer to the general-manager of a steel factory, for his special and individual role in industry.

Usually at the age of ten (or at the end of the student's fourth year of education) parents had to decide the question of the child's educational future: whether to continue in the common school and finish his education there (in which the student had to stay until he was fourteen) or whether he could enter upon a course leading to higher education. If he continued in the common school, the only chance for further education after completing the course lay in the continuation school.

By German law it was obligatory for children to be full-time students until the age of fourteen. If the child was to continue on to a university or a technical Hochschulen he was taken out of the common school and placed in a gymnasium at the age of ten. If, however, the child had neither the means nor the time to attend the regular school he would leave the common school at fourteen and go to work. But it was here that German educational skill was shown at its most intelligent. Although the child was technically now a laborer, the State deemed fourteen too young an age to discontinue all education. Thus, the Fortbildungen, or continuation schools, sprang into existence. Attendance at these schools was obligatory in most of Germany until the boy reached eighteen. The weekly period of instruction was ten hours, of which three hours usually came on Saturday

morning and the other seven were arranged, at the employer's convenience, sometime during the week.

German laws were stringent regarding these students and in several states there were laws laying full responsibility on the employer to see that their 'apprentices' were receiving this instruction.[1]

These Fortbildungen were not a totally altruistic creation of the German Government for they were instrumental in creating the most highly industrially and commercially educated working class in the world. According to the German scheme of education, every worker in a profession, trade,or commercial enterprise, had to have not only a general education but also an excellent technical preparation for the particular work selected by him. In other words, it was necessary not only that a man be educated for the branch of industry which he intended to enter, such as mining, manufacturing, retailing, etc., but that he be specifically trained for the position he intended to hold in the business, whether manager, foreman, or skilled workman. This was the job of the Fortbildungen and the industrial elementary and intermediary schools.

All the industrial and commercial schools had the duty of supplementing the instruction received in the common schools, but it was instruction adapted to the needs of the various

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[1] Earl Dean Howard, The Cause and Extent of the Recent Industrial Progress of Germany (Boston: Houghton Mifflin Company, 1907), p. 100.

trades. German, arithmetic, and drawing were taught in all the industrial schools.[2] The teaching in German included reading and composition in such subjects as technology, business methods, German law ("especially the constitution and statutes relating to the relations of employer and employee")[3] and elementary economics. Arithmetic was usually business arithmetic and bookkeeping. Drawing was stressed to the extent that by the time he finished his course, every skilled workman felt at ease working only with drawing plans.

The commercial continuation schools had, naturally enough, a more commercial orientation. Correspondence, commercial arithmetic, theory and history of trade and exchange, geography, bookkeeping, stenography, type-writing and commercial law were the subjects studied along with heavy emphasis on the English and French languages.

The student who moved on to the elementary industrial school was trained for the position of a subordinate officer or foreman in one of the large industries or as a manager for a small enterprise. The course covered a year and in many schools the student got good practical experience by working at the trade or in the industry during part of the year and studying the remainder.

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[2] In the continuation schools of the larger cities, heavier emphasis was laid on a general 'high-school' education in addition to the technical one.

[3] Howard, op. cit., p. 101.

The intermediate industrial schools trained men for the higher offices in large industries or as proprietors of larger enterprises. Both a satisfactory educational background and some working experience were demanded for entrance. The course was from two to three years long and all work was strictly supervised. On graduation the student usually qualified to enter a technical university if he so desired.

The only academic step left for the able and ambitious business student was the technical Hochschulen. Here he was trained for the highest positions in the industrial and commercial world, or for a career of scientific research either as a professor or in a laboratory of the great industries.

In 1810 Wilhelm von Humboldt founded the University of Berlin. Several institutions of higher learning had existed in the German states prior to 1810 but Berlin came to represent the belief that "specialized instruction and advanced classes for original work. . .scientific research /was/ the main purpose of university institutions."[4] This was the German concept of Wissenschaft put into practice: the university as a center for research. Great scholars no longer worked only as individuals. Groups of advanced students gathered around them to learn by apprenticeship, not only by formal study. The idea took root that private study and research are

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[4] M.E. Sadler, "The History of Education", Germany in the Nineteenth Century, ed. C.H. Herford (Manchester: The University Press, 1915), pp. 109-110.

essential qualifications for a university teacher. German universities realized the scholar's ideal, and Wissenschaft, as we shall shorty see, also was put to practical use by the new German State.

This, then, was the educational back-bone of the German leap into the Age of Machinery.[5] No other nation had ever so systematically and scientifically channeled its educational media so thoroughly and successfully towards one goal: commercial and industrial knowledge and supremacy.

In 1872 a British deputation visited Germany and Switzerland to study their methods of education. Their resulting comparison with the educational methods of the mother country was unfavorable in the extreme. A vital (but unappreciated) point they made was that all the universities and colleges in England together contained fewer students "taking up research and the higher branches of chemistry" than a single German university (that of Munich) which was visited.[6]

But it was not until after the turn of the century that

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[5] The most comprehensive objection to such a form of education was that it allowed for little or no versatility or change of heart on the part of the individual. His education was for so long and from such an early age directed only to one limited goal. If, in the end, he failed at that, he failed in life. Professional lines were rarely, if ever, crossed--even on the way down. A failure at medicine did not become a successful clerk. He simply spent the rest of his life as a failed medical student.

[6] Sir Swire Smith, The Real German Rivalry. Cited in Alfred Marshall, Industry and Trade (London: Macmillan and Co., Ltd., 1923), p. 97 n. 1.

the British began to appreciate the true reasons why the Germans were competing so successfully with them. About 1903 the Free-Traders launched a full investigation into the causes of British commercial decline. Their findings demonstrated that the principle cause of the slowness of economic growth during the period lay in the lack of a scientifically organized education. These Free-Traders and other English educators and reformers were to point time and time again over the following forty years to the superiority of the German educational system. Their voices went unheeded by those who were in a position to change the system in England. This is a point to which we shall return, but perhaps this is the most appropriate place in which to note that possibly in no other field did the English so obviously reveal their inability to make use of the improvements instituted by their competitors. The German educational system was observed, praised, preached--and rejected in England. For this neglect the British paid heavily.

C. Industrial and Scientific Coordination in Germany

In her struggle to reach economic parity, Germany initiated yet another trend of contemporary technology which is today regarded as axiomatic. This was the subjection of science to industry. Although the results of such a program were not to gain international notice until the end of the nineteenth century, the origins go back much further. In the 1790's a committee of experts had been set up to advise the Prussian Department of Manufacturers and Commerce. The plan for the establishment of a new and more effective Technical Commission was blueprinted by Stein in a memorandum of June 7, 1807,[1] and implemented by Hardenberg in 1810. Napoleon's wars hardly permitted a body of this kind to function successfully but in 1819 it was reorganized with a Prussian civil servant, Peter Beuth, as its director.[2]

In 1820 Beuth helped establish the Association for the Promotion of Industrial Knowledge in Prussia and, in 1821, the Industrial Institute (Gewerbe Institut) in Berlin.

All three organizations associated with Beuth were housed together in the Klosterstrasse. Beuth was provided with an

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[1] W.O. Henderson, "Peter Beuth and the Rise of Prussian Industry, 1810-1845", The Development of Western Technology since 1500, ed. T.P. Hughes (New York: The Macmillan Company, 1964), p. 116.

[2] Ibid. All the following material on Beuth and his organizations comes from this article.

official residence and this 'House of Industry' soon became the focal point for the dissemination of technical knowledge throughout Prussia. A technical library, scientific laboratories, engineering workshops, and a valuable collection of machinery and models were all assembled there. Many of the machines came from abroad despite the fact that foreign governments prohibited or restricted the export of machinery.[3] While the models were a permanent collection the machinery was continually changing. After a machine was tested (and more often than not improved) it was presented to a Prussian manufacturer.[4]

One of the most impressive of the early achievements of the Gewerbe Institut was its success in starting a machine making industry. August Borsig, a pupil of the Institute, was set up as a machine maker in 1837 with fifty men. Ten years later he was employing twelve hundred.[5] By the mid-1840's, Borsig's railroad locomotives not only matched English machines in speed and power but were actually superior to them.[6] And in

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[3] In spite of the prohibition of exportation, every new English machine was bought at Government expense and sent to the Institut. See Marshall, op. cit., p. 132, n. 1.

[4] See W.H. Dooley, "German and American Means of Production", Atlantic Monthly, CVII (1911), p. 649. After a short history of tool construction and improvement in Germany, Dooley says that the Germans put "more engineering thought into their designs than has been given to the subject at any time in the history of tool construction".

[5] Clapham, op. cit., p. 91.

[6] Kurt F. Reinhardt, Germany: 2000 Years, II (New York: Frederick Ungar Publishing Co., 1961), p. 554.

1913 this single German firm produced more locomotives than the whole of France.[7]

Peter Beuth died in 1853 but left behind his most important contribution to German industrialization--the Berlin Industrial Institute. Eventually this developed into the famous Technical College at Charlottenburg where it continued Beuth's tradition of applying a highly developed system of technical education and scientific research to German industry.

In its April, 1897, edition, the National Review asked the question, "Why are the Germans beating us?" Dismissing all other explanations, this one was retained: "It is due to the superiority of their education over our own, both in application, in method and organisation. It is due to their standing army of scientific men."[8] Two years later Sir Robert Hadfield said, "It is in the laboratories of Essen, of Berlin, of Grosse Lichterfelde, that Germany wins her industrial victories."[9]

These and similiar statements, of which there were many, well demonstrated that the British were gradually becoming conscious of the importance of science to industry. What is so remarkable, however, is the realization that industrial England declined to act upon their new-found knowledge. In 1900 the

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7 James Davenport Whelpley, The Trade of the World (London: Chapman and Hall, Ltd., 1913), p. 77.

8 Quoted in M. Victor Bérard, British Imperialism and Commercial Supremacy, trans. W.H. Foskett (London: Longmans, Green and Co., 1906), pp. 240-241.

9 Viallate, op. cit., p. 41.

six largest German chemical firms employed over six hundred and fifty trained scientists while the British chemical industry employed no more than thirty to forty.[10] In 1914 the Elberfeld Dye Works alone employed four hundred scientifically trained chemists. And in 1911 this company had applied for seven hundred and ninety-eight patents or more than two per day.[11] Important scientific discoveries were thus made possible (which, of course, also paid off well in dividends) almost as by-products to pure industrial research. Paul Ehrlich discovered salvarsan in an I.G. Farben laboratory just as anethetics were developed by scientists in the service of the German chemical industry.

In the years before the First World War, Germany gained an international reputation in the electrical and mechanical industries. Her products in these fields were generally acknowledged to be equal, and usually superior, to those produced by any other nation. In 1913 half the world's trade in electrotechnical products was in German hands. "Beyond question the creation of this industry was the greatest single industrial achievement of modern Germany."[12] Another trade which stands

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[10] Koppel S. Pinson, Modern Germany: Its History and Civilization (New York: The Macmillan Company, 1954), p. 228.

[11] Hermann Schumacher, "Germany's International Economic Position", Modern Germany in Relation to the Great War, op. cit., p. 108. In 1915 Schumacher was professor of Social and Political Science at the University of Bonn and an economic and industrial consultant to the German Government.

[12] E.J. Passant, A Short History of Germany (Cambridge: The University Press, 1960), p. 109.

out in the history of Imperial Germany, not so much due to its size, but because of its international importance and the singular way in which it coordinated industry and science will be studied here. This is the chemical industry.

In 1757 an Englishman, Campbell, wrote, "The Germans are by much the best Chymists in Europe and the best treatises on that subject are either writ in Latin or High German".[13] He was right; but Germany's modern chemical industry really began when Justus V. Liebig founded the first chemical laboratory in 1827 at the University of Giessen. Liebig later gained international renown by laying the foundations for the development of organic chemistry. His peculiar contributions to Germany, however, were two: one, the founding of research laboratories in both factories and universities and, two, his contributions to German agricultural chemistry.

Liebig's Giessen laboratory was so successful that several state governments immediately founded and maintained advanced schools for scientific study. France had led the way in the employment of chemists as officials of particular factories[14] but the French admitted in 1871 that the better educated Germans had won the race.[15] Although England remained the only large scale exporter of chemicals throughout the nineteenth century, Germany made several spectacular advances from the mid-century

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13 Quoted in Clapham, op. cit., p. 103.

14 Alfred Marshall, op. cit., p. 134.

15 Clapham, op. cit., p. 304.

on--the most important one being the manufacture of dye-stuffs from coal tar.

This branch of the chemical industry was peculiarly suited to German temperament. For it dealt basically with a technique of dividing up a scientific problem among a group or team of young scientists each of whom was then put to the same, or nearly the same, experiment or other investigation. The manufacture of synthetic dyes from coal tar, in the early stages of experimentation, called for, more than any other factor, thoroughness. And the Germans have always been a thorough people.

> To the scientific pursuit. . .Germany applies the same qualities of conscientious precision, minute research, individual disinterestedness and indomitable labour, which her learned pedants of yesterday brought to the study of the Middle Ages and antiquity.[16]

The story of dye manufacture revolves largely around the utilization of by-products of gas and coke manufacture. August Wilhelm von Hofmann, a student of Liebig, is considered the father of the German industry. While he was teaching in England, one of his pupils, William Henry Perkins, produced the first synthetic dye in 1856. Hofmann returned to Germany with this invention and soon the industry was in full swing.[17]

In 1860 Germany was still using only organic dyes and she was almost entirely dependent on imports for her supply. The annual import of dyes cost the country 50,000,000 marks. Within

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[16] Bérard, op. cit., p. 241.

[17] Pinson, op. cit., p. 228. The author was unable to determine Perkins' stand on the question of the 'export' of his formula.

a few years Hofmann and others had so changed the conditions that by 1900 the import had sunk to almost nothing while the export had risen to 100,000,000 marks.[18] Almost without exception the secrets of the production of coal-tar dyes remained a German monopoly until after the War.

In 1907 four-fifths of the world's products of dye-stuffs, as well as a considerable proportion of the medical preparations derived from coal-tar, were made in Germany.[19] Between 1896 and 1906 Germany's export of her synthetic dyes, including artifical indigo, more than doubled.[20] In 1913, the value of German dye-stuffs rose to £10,000,000 and this was less than two per cent of her total exports.[21]

In 1897 a Munich chemist, Dr. Bayer, discovered a process for making artifical indigo from the coal-tar product anthracene. As a result of this, the German Empire, which in 1892 imported 3,556,740 pounds of natural indigo, by 1902 imported only 833,000 pounds while the export of artifical indigo amounted to 18,308,000 pounds in 1903.[22]

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[18] Earl Dean Howard, op. cit., p. 61. An ironic result of all this was that Germany, besides now making use of all her own coal-tar waste, began to import the stuff (in the form of benzole) from Great Britain, Belgium and Austria-Hungary.

[19] Ibid.

[20] For a breakdown of this figure into the various dyes, see The Department of Commerce and Labor, Statistical Abstract of Foreign Countries (Washington, D.C: Government Printing Office, 1909), parts I-III, pp. 221-222.

[21] Clapham, op. cit., p. 306.

[22] Earl Dean Howard, op. cit., pp. 61-62.

Perhaps the most striking statistic demonstrating her chemical progress is this: between 1896 and 1906 German imports of chemicals, drugs and dyes (with the exception of nitrate of soda and oil of turpentine) only rose from $37,518,000 to $38,614,000. British imports of the same products (with no exceptions) rose from $48,832,000 to $70,234,000.[23]

As already noted, the coal tar color industry was 'founded', more or less, in 1857. Competition in Germany at once mushroomed and, as the chemistry of aromatic compounds grew ever more complex, the dye manufacturer (usually a chemist himself) was obliged to rely more on other men's research. As the industry was a highly competitive one due to its susceptibility to the whimisical fluctuations of taste and the desire for novelty, there was little if any cooperation between the various manufacturers. These two facts, the need for extensive research and the importance of secrecy, gave rise to the industrial laboratory.

The difficulty of establishing such laboratories is evidenced in the failure of England and France, despite their initial leadership in the manufacture of aniline dyes, to set up a single industrial research laboratory worthy of the name during the entire period preceding the First World War. They paid for this failure with the total collapse of their once thriving

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[23] Department of Commerce and Labor, op. cit., Germany and United Kingdom respectively, pp. 218 and 279. The exception of nitrate of soda and oil of turpentine to Germany does not make any serious difference to the overall statistics.

dyestuffs and fine chemical industry.[24] England, obviously, continued to use dyes but relied upon the natural dyes from her colonies. If the following is representative, though, even the British consumer had his (or her) doubts about the quality of English dying and design.

> A manufacturer was showing me one day in Elberfeld a length of dress material. 'That is going to England and is made of English material. I get the materials from England, manufacture them, and send them back. I pay the carriage both ways, and yet I can sell this in the English market.' 'How?' 'Well, you see, this is a nice design; there is brains in it.'[25]

Germany may have been thinking of a story such as this when she referred to her synthetic dyes as 'the wealth of the Indies'.

But industrial research laboratories did not spring up overnight in Germany--not even in the dye industry. The laboratories were exposed to growing pains for a good forty years before the institution matured. The dozen or more dye factories that were established in the early 1860's all copied their manufacturing processes from the British and French who had pioneered in the discovery and large-scale production of coal tar colors in the previous decade. Until competition became mortal there was no effort to incorporate 'pure' scientists into the industries. The early method of experimentation was far too empirical to use much abstract theory. Also, during the early days of the industry the manufacturers were not necessarily as interested in discovering new colors as much as perfecting those they already had.

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[24] John J. Beer, "Coal Tar Dye Manufacture and the Origins of the Modern Industrial Research Laboratory", The Development of Western Technology Since 1500, op. cit., p. 130.

[25] New York Times, August 13, 1903.

In 1876, however, a German patent act was passed which immediately ended the copying practices, used with such telling success, by the German firms. Factories had to find new colors or be threatened with extinction. In the same year Peter Griess, Otto Witt and Z. Roussin opened up the vast, promising field of the azo dyes.[26] Most dye firms now began their hiring of university trained chemists.[27]

An important characteristic of these industries was the building of both private laboratories and training schools. The reason for this was, again, competition. By the 1890's the industry had become so complex that it paid the manufacturers to train potential employees in their own schools in order to acquaint them with the peculiar problems of each company at as early a time as possible. Employers carefully kept their students away from basic company secrets and even when students became full time employees as chemists or researchers they worked in only one specialized area of research and were kept from learning too much of what was happening in other areas for security reasons.[28]

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[26] Beer, op. cit., p. 133.

[27] The two dye companies of Meister Lucius and Brüning of Höchst and the Badische Anilin-und Soda-Fabrik of Ludwigshafen were large-scale undertakings from the very start which began as early as 1868 to systematically hire trained chemists.

[28] Beer, op. cit., p. 136. See this essay for a general picture of the chemical dye industry in Germany and for the development of the Bayer Company in particular.

The work done in these laboratories was thorough, exact and meticulous. Most of all it was tedious. In the Bayer Company, for example, out of 2,378 colors produced and tested in 1896, only thirty-seven were developed for the market.[29]

By 1910 the only fundamental difference between a German chemical research laboratory and one found in 1967 at General Electric was that the German industries relied more heavily on the universities for their speculative research than does the General Electric administration. The primary function of the German plant's laboratory was usually understood to be the exploitation, with the utmost speed and thoroughness, of any given scientific idea whose practical applications had come into view. To that end, "the research staff was given such a flexible organization that a crash program involving the close collaboration of several types of experts could be initiated at short notice".[30]

This concept of the 'division of labor' caused, with the passage of time, a close collaboration between universities and industries. Occasionally it worked out that a company came to have a 'monopoly' of the findings of a particular university scientist, such as Agfa of Berlin's exclusive claims to Hofmann's discoveries, or the Bayer firm's particularly close ties with

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29 Ibid.

30 Ibid., p. 137. The Ludwigshafen works were a good example of this type of cooperation in 1904. They then employed 148 chemists, 75 technical and 305 commercial officials. See Marshall, op. cit., p. 241, n. 1.

Wislicenus at Würtzburg and with the University of Göttingen. At times, retaining fees were paid to university professors to act as a company's technical advisor.[31]

But the dyestuffs industry was only the most spectacular of many fields in Germany where intercourse between science and industry or government played an increasingly greater role. German professors such as Dr. Ernst von Halle and Dr. Adolph Wagner were, besides teachers, active members in the German government in those areas in which their studies, economics, business and foreign relations, could be used with benefit.

The same was true in agriculture. In 1874 the first Landwirtschaftliche Hochschule (agricultural university) was opened in Berlin. The German Agricultural Society, founded in 1884, promoted and spread the knowledge of technical agricultural methods and devices, especially by means of publications and periodic exhibitions. Agricultural co-operatives facilitated the purchase of seed grains and fertilizers, the acquisition of machines, the sale of farm produce and the procurement of money at a low rate of interest. 'Winter Schools' were established and given von Liebig's support, in which students and agriculturalists could study during the dead season.[32]

The most brilliant victory of the new scientific agriculture

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[31] Earl Dean Howard, op. cit., p. 145.

[32] Clapham, op. cit., p. 216.

was found in the sugar beet industry. A difficult plant, needing special care and conditions, the crop rose from an average number of tons handled annually between 1866 and 1870 of 2,500,000 to 13,423,000 in the period of 1906-1910. During the same years the average annual yield of raw sugar rose from 211,000 to 2,116,000. In 1870 France had been the leading sugar power of the world. In 1882 German sugars were being sold on French markets.[33] In 1898 sugar was Germany's chief agricultural export.[34]

That the British were not blind to what was happening in Germany is proven by the following report on German agriculture.

> The German farmer has had against him the same agricultural crisis as his brethren of the Continent and of the United Kingdom. But by means of his thorough education, founded on science, he always forges ahead. . .It is science which . . .has come to his aid; science has shown him how best to feed his cattle, grow his plants, combine his chemical manures, choose his succession of crops. . .One of the wisest measures introduced for the progress of their agricultural science has been the foundation of agricultural teaching in all the old universities. The success of the Germans in this field. . .is invariably due to a thorough training and high-class teaching.[35]

Between 1880 and 1910, 4,000,000 acres were added to the area under cultivation. Between 1897 and 1907 the use of new fertilizers and equipment produced an increase of twenty per cent in the grain harvest

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[33] See Bérard, op. cit., pp. 241-242 and Clapham, op. cit., pp. 216-217. The remarkable increase in the yield of sugar per ton of beet should be noted. From about 1:12 the proportion of sugar rose to nearly 1:6 between 1870 and 1910.

[34] Hermann Shumacher, op. cit., p. 99.

[35] Miscellaneous Series, No. 452, "Agriculture in Germany". Cited in Bérard, op. cit., p. 242.

> whilst British agriculture has been decaying, and during the same period the number of cattle has increased by 2,000,000 heads, and the number of pigs by 7,000,000 heads. . .whilst the number of cattle and pigs kept in this country has remained stationary.[36]

England, once ranking first place among machine-manufacturers, was fast being pushed out of the field by Germany. In 1903 the London Times, referring to the exhibition of German products at Dusseldorf in 1902, stated the opinion of 'a highly competent authority'. " 'It was', he said, 'the finest exhibition of tools and machinery I ever saw' ".[37] In October 1898, the Board of Trade Journal wrote, "German aniline has conquered the world".[38]

The list of German accomplishments in such fields could be continued indefinitely. The Germans never claimed to be great innovators of new ideas. They were content to copy and improve. An American tradesman once said that Germany represented "the highest possible development of the commonplace".[39] With a few exceptions of major importance this was true. But to materials and inventions ignored or abused in other parts of the world, the German applied his study and experiments and used them to help Germany climb the ladder to success.

In short, the erudition, minute, patient and unwearying study of the German Doktor Philosophie had simply been transferred to the conquest of the modern world by the industry of the

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[36] J. Ellis Barker, "Germany at the Parting of the Ways", Nineteenth Century, LXI (1907), p. 217.

[37] London Times, August 29, 1903.

[38] Cited in Bérard, op. cit., p. 245.

[39] Whelpley, op. cit., p. 77.

Doktor Ingenieur.

By 1900, finally forced to face reality, the British nation was pondering the unnerving possibility that Germany might be more than a commercial match for them. And it was commerce that had made and kept Great Britain a supreme power.

A defective knowledge, the use of inferior methods, the lack of flexibility and versatility, an obstinate industrial conservatism, these are the true enemies of English industry; they harm it infinitely more than all the customs tariffs and all the dumping syndicates that were ever created. What we really need is a better education, a better intellectual discipline, a mind more open.

Herbert Henry Asquith
Speech at Cinderford
October 8, 1903

Chapter III

British Reaction to the German Commercial Threat

The German transformation from a backward agrarian nation to a most highly efficient industrial and commercial one can, perhaps, only be compared to the economic progress of modern Japan.[1] It came about so rapidly that Great Britain more often than not appeared to have no idea it was happening until it was too late to save many of her foreign markets and was, indeed, hard-pressed to retain much of her own home market.

In 1890, when Bismarck was upstaged by Kaiser Wilhelm, the new German Empire was already the dominant power on the continent. Although Great Britain had, as yet, no cause for immediate concern over the threatening pre-eminence of Germany, far-sighted individuals on either side of the English Channal were already convinced that the British Empire would, one day soon, find itself faced with an aggressive rival who was also searching for world empire.

Intelligent Englishmen were heard voicing doubts over British policy and German trade all through the nineties, but

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[1] The comparison could be carried still further in that England played the same role that the United States was to play toward economic development in Japan--a role based, apparently, on the idea that if the unexpected and almost inexplicable is ignored, it can be held that the change 1) has not occurred, or 2) that it is unimportant.

few were as outspoken or blunt as some Frenchmen. In a dull but perceptive piece of writing in the Nineteenth Century, Francis de Pressensé took pains to point out to his less-informed English audience that ". . .just now the true antagonism, the latent hostility which leaps out on any and the least pretext is between the German Empire and the British Kingdom". Why? Basically, "Commercial rivalry".[2]

Under Bismarck's pacific, albeit heavy-handed guidance, Germany had steered clear of military enterprise in favor of trade development. This policy was so successful that even in the 1880's many British businessmen, manufacturers and economists, those immediately affected, saw the potential German trade threat as strong enough to warrant political action being taken to protect British products.[3]

One of the cornerstones of Bismarck's foreign policy was to keep Germany on the good side of England. Possible conflict with England had been of prime consideration in Bismarck's evaluation of the colonial question and he had done his best to strengthen German commerce while keeping her free of colonial involvements. Having sacrificed an aggressive colonial program to British susceptibilities earlier in the century, he felt in 1898 that Britain was demanding that

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[2] Francis de Pressensé, "The Dual and Triple Alliances and Great Britain", Nineteenth Century, XLII, (1897), p. 897.

[3] See the running debates in the "Letters to the Editor" and the Editorial sections of the London Times and the Spectator during the last years of the 1880's.

Germany now sacrifice her trade.

> He was sorry that relations between Germany and England were not better than they are. Unfortunately he knew of no way to improve them, as the only means he could think of consisted in our putting a check on German industry, and was not therefore applicable.[4]

Definitely the trade question made headlines time and time again at the turn of the century in England, but even as far back as 1883-84 an official enquiry intothe inadequacy of British exports had been made. This led to much correspondence between the Government and the Chambers of Commerce, and the collection of much evidence from British officials abroad. Perhaps the whole issue was best summed up by James Bryce when he wrote:

> There is no denying that theyouths who go from Belgium or Germany to push their fortunes abroad in trade go better equipped than do our own in knowledge of languages and of the methods of business. They are willing to live more plainly than Englishmen will do, to work for smaller profits, to allow themselves fewer amusements. . .They are more alive to the results attainable by attention to minutiae, and perhaps more keenly watchful of all such new facilities as the progress of science affords.[5]

When the Conservatives took office in 1886, the Government appointed a Royal Commission to enquire into the cause of the depression from which British trade was suffering. The general

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[4] Friedrich von Tirpitz, My Memoirs, I (New York: Dodd, Mead and Company, 1919), p. 255. In 1898, the last year of his life, von Bismarck had been out of power for eight years. Bismarck was far too astute a politician to credit all Anglo-German problems to trade-rivalry. Nevertheless, von Tirpitz states that Bismarck expressed this opinion just months before he died.

[5] Memorandum by James Bryce on page 15 of Correspondence with the Association of Chambers of Commerce 1884. Quoted in Michael Balfour, The Kaiser and his Times (London: The Cresset Press, 1964), pp. 50-51.

verdict of this Commission was similar to Bryce's--the British trade slump was due primarily to carelessness, lack of technical education and ignorance of, or unwillingness to utilize, the advances made in technology and scientific research. The importance of the Commission's final report, however, lay in the advocation of a return to protection by a sizeable minority of the members. Although the Government temporarily sloughed off the question, this report brought into the open a subject that was to dominate the British political scene for the next several decades.

To understand this problem in Great Britain it is necessary to go back a few years and briefly trace the history of Free Trade in England. In 1776 Adam Smith published The Wealth of Nations. What The Wealth of Nations called for was freedom of trade--freedom from the tariffs and bounties, prohibitions and monopolies and all the other restrictions which governments imposed upon manufacturers and merchants--the sweeping away of all barriers and obstacles to international commerce.

Such a position rapidly gained adherents and in the 1820's William Huskisson, an M.P. from Liverpool, succeeded in clearing much of the ground for Sir Robert Peel's abolition of the Corn Laws in 1846. Peel and Richard Cobden's desperate political struggle over the Corn Laws and their triumph not only freed from taxation the most important item in the diet of the people, it also defeated the last powerful group of protectionists, the landowners. Three years later the Navigation Laws suffered the

same fate, and, in 1852, after the approbation given by the electoral body to the reforms of the preceding decade, William Ewart Gladstone eliminated the last of the government restrictions on trade.

In this way did the British turn from mercantilism to free trade. By the 1880's no Government had ventured to question the country's economic policy although it was by then clear that England's commercial supremacy was soon to be menaced.

Although the voice of a minority had already spoken and was to become even more vocal during the following years, it was not until after the United States adopted the MacKinley tariff and on the eve of a General Election that the British Government first considered a return to protection. In 1892, Lord Salisbury conceded that a free trade country, surrounded by nations practicing protection, might be obliged to introduce protection as a measure of reprisal, to force her competitors to lower their tariffs.[6]

During the late 1880's and the '90's the reaction against Free Trade gave birth to several small organizations such as The National Fair Trade League which agitated in favor of a modification of the customs policy. It asked that import duties be applied to the products of those foreign countries that refused to receive English manufactured articles in free or fair exchange. The League proposed to levy a slight duty on the

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[6] Speech at Hastings, May 17, 1892. The Times, May 18, 1892.

foodstuffs imported into England from foreign countries, from which would be exempted those imported from any part of the Empire. This duty was both to favor the colonists and to protect the home farmers. As for raw materials, they would be admitted free, as before.

These ideas were received with little enthusiasm. The interests that would suffer from such measures immediately united against the League. England had not only become a huge factory, she had also built an unrivaled merchant marine. She was now the European warehouse and market for the products from overseas which reached her ports before they were distributed to the Continent; and her banks, owing to the relations of English merchants with the whole world, had made London the financial capital of the world. The pound sterling had become the most stable international currency and the 'City' was the intermediary through which all nations could most conveniently finance their commercial operations. It was on the London market that great foreign loans were floated, that new countries were sure to find the capital required for the development of their economic equipment. All this would be threatened were England to inaugurate any form of protection--however moderate.

England had become a world power; she was conscious of an unchallenged primacy in the political as well as the economic field. Her Navy insured her mastery of the oceans. Her 1881 intervention in Egypt, which France declined to follow, enabled her to dominate the new Suez Canal route. She did not fear

being cut off by her adversaries from the foodstuffs required by her population, and the raw materials indispensable to her industries were also safeguarded. Both she wanted to get under the best possible terms in order to preserve her economic supremacy.

To Free Trade the mass of English people attributed in great part the wonderful prosperity which allowed them to practice the proud policy of 'splendid isolation'. Free Trade had become a dogma to financiers, to masters of industry and to workmen. They refused to tamper with it in any way, and at the General Elections of 1885 the fair traders were thoroughly trounced.

The cause of reform gained new vigor when Joseph Chamberlain made himself its champion. Pointing to the rising commercial threat from the United States, Germany and Japan, he advocated the creation of an Imperial Federation preceded by a commercial union between the mother country and her colonies. It was in 1868 that Charles Dilke had first enunciated his dream of 'Greater Britain' but few had listened to him then. By 1900, however, foreign commercial pressure had reached such a point that Chamberlain's promise of an empire organized on the lines of a customs union, where Anglo-Saxon production alone would find a free market, from which foreign merchandise would be excluded by a system of differential duties, or even, if necessary, a protective tariff, found a wider audience.

The General Elections of 1906 were held on this issue. The Liberal Party won a brilliant victory and at the Colonial Conference held in London the following year, Mr. Asquith, Chancellor of the Exchequer, declared that "free trade has been preserved because it is a policy of vital national interest".

Chamberlain had enjoyed his greatest popularity at the time of depression, but by 1905-06 the slump of 1903 had gone. His tariff reform had one fatal flaw: it included the taxing of imported foreign foodstuffs, a prospect which could never be acceptable to the working majority of the population.

> The great change since 1846 was that the working class had become strenuous free-traders. They had in earlier times never been really convinced when Cobden and Bright assured them that no fall in wages would follow the promised fall in the price of food. It was the experience of six years that convinced them. England alone had gone unhurt and unsinged through the fiery furnace of 1848, and nobody doubted that the stability of her institutions and the unity of her people were due to the repeal of bad laws, believed to raise the price of bread to the toilers in order to raise rents for territorial idlers.[7]

Leaving aside the question of exactly what form of economic policy was of 'vital national interest' for England, as this appeared to be a highly controversial subject, it is not difficult to understand how the Liberals won their election on this issue. Most Englishmen were simply, but deeply, convinced that Free Trade, besides keeping the price of food low, was the only

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[7] John Morley, The Life of William Ewart Gladstone, I (London: Macmillan and Company, 1903), pp. 425-426.

civilized means of world trading. So at the same time that farmers and businessmen feared the United States[8] and Germany, they could interpret the protection of America, and particularly that of Germany, as the expression of cruder and less developed nations.

For over a century the British had been blaming Germany's slow development on Prussian 'militarism', on innate German inability to adhere to 'English (read 'civilized') principles'. British condension towards her 'poor cousin' was so deeply embedded in the Englishman's thinking that even when to the most casual observer it became obvious that Germany had become, at the least, a formidable rival, the Englishman continued to rationalize this startling change to the detriment of the German Empire. If Germany were powerful it was only by virtue of unseemly means--wars of aggression, a notoriously backward government, a loud and barbarous emperor and, that most reactionary of all devices, protection. All these were such primitive attributes that no self-respecting Englishman could condone, much less wish to imitate, them.[9]

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[8] Post-civil war Americen agricultural exports brought an agricultural crisis to England that never really was satisfactorily resolved. Needless to point out, British agriculture was in far worse straits during this period than British industry and commerce.

[9] See both the Times and the Nineteenth Century coverage on Germany. It is rare to find an article that at some point does not resort to insult or suspicious innuendo as a means of solving the most perplexing problem of Germany's leap to power and prosperity. In his book, British Imperialism and Commercial Supremacy, M. Victor Bérard explained the German industrial phenomenon in the following words: "On the field of commerce an army looms which

But perhaps the most dangerous feature of the British writing of the times was the inclination to passively accept both German resentment and progress with the veiled suggestion of ultimate British retribution were Germany to ever attempt to violate English-imposed restrictions.

> Not a day goes by, not a lesson, that it is not thrust upon me, in no very kindly and generous spirit, that Germany and the German people have not only no love for England but a hatred of my country people. This. . . is a pity. But--and you will excuse me for saying so--England will not break her heart about it.[10]

Few Englishmen could resist considering the German Empire

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seems to apply the methods of military tactics to economic manoeuvres." (p. 131) The British, accepting the imagery, added their own interpretations. The Spectator, LXXXVIII (1902), exhibited signs of unaccustomed paranoia by claiming that Germany had menacingly concentrated her activities to reach a commercial position "directed against us alone". (p. 5) In his articles "British Distrust of Germany", Nineteenth Century, LIV (1906), D.C. Boulger traces British anxiety back to 1875 when Salisbury, Lytton and Sir Henry Rawlinson became convinced that Germany regarded England as its enemy and already had plans prepared for an invasion! (p. 8) In his article "Future Anglo-German Relations" in Nineteenth Century, LIX (1906), J. Ellis Barker is clearly guilty of simple mendacity when he writes: "It may be asserted without fear of contradiction, that Germany made the South African War. Had Germany not sedulously cultivated the Boer connection, encouraged Boer ambitions and flattered Mr. Kruger to the top of his bent, the Transvaal war would not have occurred." (p. 539) Mr. Barker goes on to say that after conquering all Europe, Germany will soon go on to victory in England and the United States. (p. 541) Also in the Nineteenth Century, LVIII (1905), Mr. Otto Eltzbacher states in his article "The German Danger to South Africa" that the native uprisings in East Africa were directed not against white men in gneral, but only against barbarous German rule. In order for the English to protect their own possessions then, it may be necessary that the un-Christian Germans be driven out of Africa. Finally, in his book, Great Britain and the German Navy (Oxford: The Clarendon Press, 1935), E.L. Woodward, many years later, conclusively accounted for German progress by casually characterizing most German trade practices as "unfair, and even as dishonest". (p. 42)

[10] Katherine Blyth, "Sketches made in Germany", Nineteenth Century, XLI (1897), p. 287. This was only one of several articles by Mrs. Blyth all of which were written in the same tone.

as the parvenu in world affairs and most of them could not keep the condescension from their voices when they spoke of her progress. In 1900 most Britans were content with the belief that they formed a race that was invincible both militarily and commercially. Had not British merchants and yeomen farmers colonized the continents, founded their trading stations and made London the financial and commercial capital of the world? Was not that 'gift of technical invention' peculiar to the British and had not that same quality enabled England to become 'the workshop of the world'?

All this was true. But when, argued the Conservatives and economists, had the glory of the past ever assured the security of the future? No one took issue with the magnificance of what lay behind but German technology and cold statistics shed considerable doubt on what lay ahead. Would be reformers pointed to the fact that after 1900 foreign critics certainly believed British industry to be stagnant and relatively inefficient. "Frenchmen made jokes about English businessmen's long week-ends and about the English wage-earners' short working week. Americans expected to profit by English conservatism."[11]

Between 1884 and 1902 both the United States and Germany had nearly doubled their export trade while England's share of world trade dropped between 1880 and 1900 from 38.2 percent to 31.4 percent. During this same period Germany's percentage of

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[11] J.H. Clapham, An Economic History of Modern Britain: Machines and National Rivalries, IV (Cambridge: The University Press, 1938), p. 69.

world trade in manufactured goods rose from 17.2 percent to 19.4 percent.[12] In 1885 German exports to Holland exceeded British for the first time. The same thing soon occurred in Sweden and Rumania.[13]

Figures such as these caused, in certain quarters at least, a feeling of anxiety, a lack of confidence in the future of the British Empire if reforms of some sort were not carried out. General educated interest in the question reached such a point that even the Duke of York (later King George V) referred to the need for attention in the closing of his Guildhall Speech of December 5, 1901.

> I venture to allude to the impression which seemed generally to prevail among our brethren overseas [Australia and New Zealand], that the old country must wake up if she intends to maintain her old position of pre-eminence in her Colonial trade against foreign competitors.[14]

Although the Government refrained from taking any direct action as trade had, in 1900, once again picked up and suggestions that Germany might be stealing Britain's livelihood

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[12] See the U.S. Department of Commerce and Labor, op. cit., and Balfour, op. cit., Appendix I. British trade had slumped greatly between 1872 and 1900 and was to slump again right after the turn of the century. The 1900 peak of £291,192,000 was not reached again until 1904 when exports totalled £3000,711,000.

[13] See Balfour, op. cit., p. 49 and U.S. Department of Commerce and Labor, op. cit., pp. 102, 108, 114-15 for yearly breakdowns.

[14] Quoted in Harold Nicolson, King George V: His Life and Reign (London: Constable and Co., Ltd., 1953), pp. 73-74. This particular statement was given considerable attention and even headlined in some of the more 'popular' papers as 'Wake Up England'.

found fewer listeners, private speculation continued. In 1896 Ernest Edwin Williams published his sensational Made In Germany. The influence of the work was enormous.

The title of Williams' book was to become a catchword which originally was meant to refer to manufactured articles of inferior quality.[15] His thesis was that German industry was manufacturing goods of indifferent quality, labeling them as British and selling them as superior English merchandise. The facts modify the thesis.

When the more severe effects of German competition began to be noticed in the 'nineties, a great deal was made of Germany's refusal to sign the Convention of the Industrial Property Union in 1883 which had been designed specifically to prevent such misrepresentation. It is probable that Germans did sell cheap goods under British labels until 1887 when Parliament, alarmed over German 'commercial infiltration' of the home market, passed a Merchandise Marks Act. This Act forbid misrepresentation of place or country of origin and required all goods made abroad but sold by British merchants to be marked to that effect. The stipulation soon revealed that much of the hoodwinking had been due to English dealers buying cheap foreign goods for resale and putting U.K. labels on them for respectability. But irony lies in the fact that

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[15] Here again the analogy between the British attitude toward Germany in the 'nineties and the American attitude toward Japan in the 1930's can be drawn.

as soon as the labels disclosed the true origin, purchasers cut out the English middleman and bought direct from the foreign manufacturer--which hardly suggests that the goods themselves were of inferior quality.[16]

As the years passed and commercial rivalry increased in intensity, Germans were to make much of this incident and come to believe that they had been intentionally embarrassed. But at every opportunity they emphasized the fact that the compulsory label 'Made in Germany' had turned out to be a recommendation rather than a stigma.

The trading pickup at the turn of the century did not calm the fears of many Englishmen. Although different groups of observers gave different causes for the general decline in England's world commercial position, most would have agreed to one extent or the other with the following:

> Behind the wall of protection other nations have learned to manufacture our own specialties as well as we and have thus brought about this great change in the industrial world that has come to pass since the United Kingdom engaged in the policy of free trade, and which begins to prove that unshakable adherence to this policy, come to be a part of the English Gospel, is a mistake.[17]

The established position of the merchant, the relatively

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[16] For an extraordinarily vitriolic interpretation of this incident from an American post-war point of view see George C. Vedder, American Methods in Foreign Trade (New York: McGraw-Hill Book Co., Inc., 1919), pp. 133-146. Vedder dedicates his book to 'The American Business Executive, true to his heritage of idealism, confident of the eventual triumph of correct principles, enthusiastic, hard-working and fair-playing'.

[17] Sir Vincent H.P. Caillard, Imperial Fiscal Reform (1903), p. 52. Cited in Viallate, op. cit., p. 50.

small size of the typical firm, and the lack of cooperation among British manufacturers for marketing purposes, all constituted serious obstacles to any general improvement in British commercial organization. Some observers, however, specifically called attention to the rough and ready methods of the British manufacturer, in which he persisted at a time when German manufacturing was becoming increasingly scientific. This led to the new demand for a technical education for the British middle class: an education with which it had fondly believed its native genius could dispense.

Efforts had already been made at modernizing English education. In 1880 Josiah Mason had established his college in Birmingham in the heart of 'Black' England. It was not suprising that it was there, at the nerve center of industrial Britain, that an attempt at serious industrial education should first begin. Mason wrote that his college was

> to promote thorough systematic education and instruction adapted to the practical, mechanical and artistic requirements of the manufactures and industrial pursuits of the Midland district. . .to the exclusion of mere literary education and instruction, and of all teaching of theology.[18]

Even earlier, in the 1870's, Mark Pattison, the rector of Lincoln College, Oxford, had, under the influence of his observations in Germany, written notable essays on university reform.

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[18] A. Victor Murray, "Education", The New Cambridge Modern History, ed. F.H. Hinsley, XI (Cambridge: The University Press, 1962), p. 181.

He emphasized the importance of research and science, stating that a university should aim at "a breadth of cultivation, a scientific formulation of mind, a concert of the intellectual faculties".[19]

But such individual efforts were not enough. As of the 1890's Great Britain still had no central authority for education.[20] Victorian England was far too rooted in the belief of the divine origin of class distinctions to seriously consider public, scientific education for the working classes. Popular opinion remained generally content with the fossilized apprentice system still utilized for commercial education. Indiscriminate wholesale recruitment for the English workshops was still held to be more or less satisfactory and even the education of the upper classes was still shockingly lacking in technical training.

In 1895 a popular monthly magazine preached:

> The aim of English education has ever been, and should ever be, to develop the five Imperial virtues: vigour, agility, self-confidence, character, religion. It has not to concern itself with mathematicians or scholars; England has no need of scholars. What she wants is men with faith in themselves, in her and in God. The fear of God should be taught as the secret of all success.[21]

Businessmen in England not only hurt themselves by their refusal to sponsor intelligent technical education but also

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[19] Ibid., p. 182.

[20] And she would not have one until the Board of Education was set up in 1900.

[21] Review of Reviews, July, 1895. Cited in Bérard, op. cit., p. 278.

contributed to raising generations of uneducated masses.[22] For it was the employers of labor who put up a continual fight against popular education which finally made itself felt in the recognition by law of half-time employment. An Act of 1876 forbade regular employment under ten and fixed the full-time age at thirteen. In 1901 the half-time age was raised to twelve. Not until 1918 was the compulsory full-time schooling period fixed at fourteen and all regular employment before that age forbidden.[23]

Scientific education was considered to be of so little importance that not until 1890 did the London School of Mines receive university standing under the title of the Royal College of Science. At Oxford, about 1852, the newly created chair of chemistry attracted only twelve students a year,[24] and even at more 'progressive' Cambridge ". . .the study of Chemistry has not only been neglected but discouraged. . .

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[22] For the working classes there was not even any form of systematic schooling to teach the Three R's. As a result, illiteracy was widespread as is evidenced by the fact that in 1841 a third of the men and nearly half the women who were married in England and Wales signed the register with a mark. See Sir Eric Ashby, Technology and the Academics (London: Macmillan and Co., Ltd., 1958), p. 50. Nothing very substantial was done to remedy this situation during the next fifty years.

[23] Compare this with the system of compulsory education being practiced in Germany from the middle of the nineteenth century. Compulsory education plus governmental subsidies permitted Germans to boast of, in 1915, 61,557 public schools, a war academy, 22 universities, 11 technical high-schools, 6 commercial high-schools, 4 agricultural, forestry and veterinary high-schools, 3 high-schools of mining, 16 for plastic art and 11 for music. See Schumacher, op. cit., p. 92.

[24] Ashby, op. cit., p. 8.

as diverting the attention of pupils from what have been considered their proper academical studies".[25] Not until 1840 did an United Kingdom University, the University of Glasgow, establish a chair of engineering. The academics in the University were openly hostile to such an infringement of their premises and the Senate at first refused to supply the new professor with a classroom. As late as 1861 engineering was not "considered a proper department in which a degree should be conferred" and the subject remained for years in the Faculty of Arts.[26] Not until 1875 did Cambridge create a chair of engineering.

But it was not only in terms of scientific education that Britain had fallen dangerously behind. That education as such was in a shamefully neglected state was only too well illustrated by a complaint made by Norman Lockyer. In 1903, Mr. Lockyer made the public complaint at the British Association meeting that Germany had twenty-two universities and gave more state aid to one of them than was received by all the thirteen universities in Britain.[27]

The United States, on the other hand, had set up fully recognized institutions for agriculture and engineering as early as 1862 and an accredited Academy of Sciences had existed

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25 Report of the Cambridge University Commission 1852, p. 102. Cited in Ashby, op. cit., p. 11.

26 Ibid., p. 56.

27 A.R. Ubbelohde, "Science", Edwardian England 1901-1914, ed. Simon Nowell-Smith (London: Oxford University Press, 1964),

in Berlin from the seventeenth century. We have already noted how rapidly scientific and technological institutes and centers of learning proliferated in Germany.[28]

British manufacturers were also charged with hide-bound conservatism in their production methods. They were accused of being ignorant of the present and infatuated with the worn-out or obsolete inventions of the past. Having once revolutionized industry, Birmingham was now charged with everything from general incompetence to gross ignorance of modern technology. As early as 1868 a Select Committee formed by the Government produced overwhelming evidence that it was not the artisans and workers who generally needed education in applied science but the managers: "All the witnesses. . .are convinced that a knowledge of the principles of science on the part of those who occupy the higher industrial ranks. . .would tend to promote industrial progress".[29]

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pp. 229-230. But it was not only university education that was being subsidized by the German Governments. In 1884 there were 50,000 students in continuation schools; in 1911 there were about 375,000. "Twenty-five years ago the Prussian Government was spending only about $13,500 a year on trade schools; now it is spending above three million dollars on more than 1,300 schools." See William C. Dreher, "The German Drift toward Socialism", Atlantic Monthly, CVIII (1911), p. 103.

[28] The first polytechnical institutes were those of Beuth (1818), Karlsruhe (1825), Nuremberg (1827), Dresden (1828), Stuttgart (1832) and Darmstadt (1836). In 1904 it was reported that the most rapid educational growth in Germany was in the attendance of the higher technical schools. "The Increase in University Attendance in the U.S. and in Germany", World's Work, VII (1903-04), p. 4512. The U.S. had nine university students per 10,000 inhabitants but Germany was running a close second with 8.5 per 10,000. Ibid.

[29] Cited in Ashby, op. cit., pp. 58-59.

The path to correction had thus been pointed out, but rarely, if ever, were such suggestions acted upon. Instead, the stock response of the industrialists was that if the equipment in their factories lacked the improvements installed by their foreign competitors, and, if their managers were unable to increase efficiency and the rate of production, the fault lay with the interference, tyranny and unintelligent routines and attitudes of the trade and labor unions.

But these criticisms and counter-complaints were not the sole factor responsible for the backwardness of industrial England. The most vital factor preventing improvement in British industry may have been the simple fact that England could not afford to overhaul the existing industrial machine.

In nineteenth century Great Britain there was a fairly clear division between the machinery for providing industry with capital and that for conducting foreign investment. Up to the end of the century the typical business in nearly all the mining and manufacturing trades of England was controlled by individuals or partners who themselves owned the capital. They were aided in their operations by loans from the banks or from merchants through whom they dealt; but for additions to their fixed capital they depended on the reinvestment of their profits.

The savings of the professional and rentier class, however, were largely invested through the London market in foreign enterprises and government stocks. And it was this flow of

capital abroad that had such far-feaching effects on the industrial position of the country. The immediate influence of investment in foreign railways, shipping and public utilities was to stimulate the growth of the British heavy industries; but the ultimate consequences were not so beneficial. The export of capital hastened the development of the resources of new countries and it increased their capacity to purchase British goods. Conversely, it enabled Great Britain to secure raw materials and foodstuffs more cheaply than before. But this same export of capital resulted in the establishment of foreign industries producing goods in competition with British exports. So, against the advantages accruing to Great Britain from a general increase in the wealth of the world and from the higher profits on foreign investment compared with those which were earned at home, must be set the dislocation and loss in which particular industries and social groups were involved.

During the years between 1870 and 1910, Great Britain invested an annual average of 23.9 percent of her total investment abroad.[30] This (in conjunction with Free Trade) brought a great reduction in the cost of foodstuffs and raw materials. From 1873 the British price index fell more or less steadily until 1896 and as a result real wages improved by 72 percent between 1860 and 1900.[31] But the cost of this overseas investment

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[30] For a yearly breakdown of overseas percentage investment see Balfour, op. cit., Appendix I, p. 446. Germany, on the other hand, averaged only about 12 percent overseas investment. Ibid.

[31] Ibid., p. 45.

was a static industrial organization at home due to lack of resources permitting the home industries to introduce the new cost and time reducing equipment. In other words, growth of industrial efficiency was sacrificed to keep the cost of food down.

Such economic planning (or lack thereof, according to the protectionists) necessitated that Great Britain, to meet the growing competition, keep one step ahead of her competitors. Engaged in a stalemate at home, the only way she could do this after 1880 was through the acquisition of new markets--new colonies or new 'spheres of influence'.[32]

It was not a matter of coincidence that the great burst of enthusiasm for 'Imperial England' coincided with this last minute recognition of England's commercial problems. The period between 1885 and 1900 was the heyday of 'Panbritannism', Joseph Chamberlain and trading organizations such as the Empire Trade League and the Imperial Institute of Colonies and India. That trade requirements deeply penetrated into politics need only be illustrated by the following:

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[32] "As long as our policy is one of free trade, we are compelled to seek new markets; for old ones are being closed to us by hostile tariffs, and our great dependencies, which formerly were consumers of our goods, are now becoming our commercial rivals. It is inherent in a great colonial and commercial empire like ours that we go forward or backward. . .We are accountable to posterity that opportunities which now present themselves of extending the sphere of our industrial enterprise are not neglected, for the opportunities now offered will never recur again." Sir Frederick Lugard, The Rise of Our East African Empire, II (1893), p. 585. Cited in Parker Thomas Moon, Imperialism and World Politics (New York: The Macmillan Company, 1926), p. 28.

> Candidates at the elections would only have to walk the streets as sandwichmen with the words printed in big type--'Markets, new markets!'--in order to obtain a substantial majority of votes.[33]

As long as the foreigner had no place to purchase other than from the workshop of the world, Great Britain had had no need for scientific organization or formal empire. When foreign competition threatened to become ruinuous, some Englishmen turned to protection only to find that the newly enfranchised working classes would never endorse an increase in the cost of food. The single remaining solution to England's problem was 'empire'. She had to have markets and her people had to have food. Thus, unable to come to terms with twentieth century mechanization, business England, so empirical, illiterate and disdainful of all knowledge which was not the fruit of personal experience, turned to a form of economic imperialism upon which her very life depended.

A slackening of British economic growth during this period was, to a great extent, inevitable. She had reached her peak in production and it was only natural that the younger and more robust challengers should demonstrate a faster rate of expansion. Although much of the 'loss of trade' was real, some of it was mere chimera--Americans and Germans captured many markets where British trade had never been more than nominal.

The complex problem of Free Trade could not be modified

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[33] Sheffield Chamber of Commerce, Annual Meeting, 30 January, 1896. Cited by Bérard, op. cit., pp. 75-76.

during this time--but it was not Free Trade which had weakened England commercially. Perhaps of most importance was the outflow of capital which left home industries so little cash for development. By 1913 British commerce was not as strong as it had been in 1873 but her overseas trade still comprised a sixth of the world's total.[34] She was hardly on her last legs.

What the British never considered was that, disregarding the above drawbacks, they could have profited extensively by studying and at least trying to adapt the new American, German and even Japanese methods of organization, discipline and management-techniques. Still far too widespread was the sentiment that for an Englishman to have ever treated what he saw in Germany "seriously, or examine, still more to imitate or admire, what he saw, he would have considered laughable and absurd".[35]

Ten years after this was written, another Englishman, also referring to British ignorance of German technique, but an ignorance then tinged with real fear, wrote ". . .we indulge in every emotion except the sober intention to ascertain the facts and profit by our knowledge".[36]

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[34] Herbert Heaton, Economic History of Europe (New York: Harper and Row, 1964), p. 624.

[35] Charles Copland Perry, "Germany as an Object Lesson", Nineteenth Century, XLV (1899), p. 525.

[36] Walter Frewen Lord, "The Lost Empire of England (?)", Nineteenth Century, LXV (1909), p. 234.

"Mother, why mayn't I go to the ball?"
"My dear, I have been through all that sort of thing, and now see the vanity of it all."
"But mayn't I see the vanity too?"

Reginald Cleaver Punch cartoon
November, 1910

Chapter IV

The German Attitude towards Commercial Expansion

If Great Britain desired to dally in the nineteenth century just as long as she could, Imperial Germany was eager to jump into the twentieth. Parvenu though she might be, a powerful new economic 'firm' had sprung into being and it meant to compete with England for the business of the world.

Early in the 1890's when the rate of German emigration was viewed as highly dangerous to the development of the Empire,[1] it was often said that "Germany must export either goods or men". Caprivi and his Government opted for goods and, consequently, in the effort made to increase industrial production, new commercial treaties were arranged on the basis of a cut in agrarian, and in some industrial, tariffs. To help the export of goods, various German cartels even went so far as to, with Government approval, develop a policy of private export premiums.[2] So successful was the attempt to stem emigration and

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[1] In the early 'eighties a figure of over 200,000 emigrants per year was reached. For 1886-90 the average annual exodus was just under 100,000. After 1894 the figure became negligible and never again touched 40,000. Clapham, op. cit., p. 208.

[2] For the role played by cartels in pre-War German economy see W.F. Bruck, Social and Economic History of Germany from William II to Hitler: 1888-1938 (Cardiff: University Press Board, 1938), pp. 92-107.

increase production that by the end of the 1890's, the German Government felt strong enough to claim the economic and political deference due her in no uncertain terms. Sure of the industrial vigor which supported him, the then Imperial Foreign Secretary and future Chancellor, declared in 1897 that

> We are of the opinion that it is not advisable to exclude Germany at the outset in countries with a future before them from engaging in competition with other nations. The days when the German abandoned to one of his neighbors the earth and to another the sea, and when he reserved for himself the heavens above, the throne of pure doctrinaire theory, those days are past.[3]

The United States in South America, Russia in Central Asia and Germany in Africa were all growing restless with "England's attitude of grand seigneur over the world".[4] Some Frenchmen recognized the irony of their undefined position between England and a country which had not even existed only thirty years earlier but pre-Fashoda France had her own bone to pick. In the mid-1890's it was French voices, possibly made bold by the knowledge that the true hostility lay between the German Empire and the British Kingdom, which led the swelling European chorus agitating against the accepted axiom that British Imperialism "takes as its basis of action the very simple and categorical affirmative that every claim of England is a right and every right of another nation is a mere unsubstantiated claim".[5]

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[3] von Bülow, Debate in the Reichstag, December 6, 1897.

[4] André Vambéry, "The Agitation Against England's Power", Nineteenth Century, LIII (1903), p. 379.

[5] Francis de Pressensé, "The Dual and Triple Alliances and Great Britain", Nineteenth Century, XLII (1897), p. 882.

In 1884, during Bismarck's negotiation with Granville over the territory of Angra Pequeña, Lord Derby informed a deputation of South African merchants that, while Britain had never regarded Angra Pequena as British territory, she claimed "a sort of general right" to object to any other Power annexing it.[6] Bismarck won his fishing port but Germany by 1900 was determined to challenge the entire spirit that lay behind that 'sort of general right'. Not uselessly had the number of hours devoted to Political Economy at the University of Berlin been doubled between the years 1865 and 1898.[7]

Most Germans recognized that what was essentially developing was a rivalry for both power and prestige. From the German point of view this rivalry was generally interpretated as being defensive and not, originally, totally unamiable. Germany claimed a 'place in the sun'--not necessarily the place. During this last decade of the nineteenth century England was still the object of such widespread admiration, and her power was seen as so great, that no responsible German seriously admitted of the possibility of one day replacing her. Only as the years passed and tensions increased did Germans, feeling themselves to have been pushed into a corner, give expression to ideas and demands that were more a result of continally frustrated ambitions than

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[6] Historical Section of the Foreign Office, German Colonization (London: H.M. Stationary Office, 1920), p. 52.

[7] Laurie Magnus, "Recent Progress in German Universities", Nineteenth Century, XLIV (1898), p. 822.

of belligerent desire to rule the world.[8]

There is not a single valid reason why von Bülow's definition of what Germany's 'world policy' meant to him should not also be accepted as what the vast majority of the German nation also meant it to mean. When asked on December 14, 1895, what he understood the term to imply, Bulow declared that by 'world policy' he understood that "in the field of commerce, industry and shipping we demand the same consideration as all other countries, and that we intend to stand upon a footing of equality with the whole world".[9] The contention held here is that such an ambition would ultimately have led to conflict with England even had politics never intruded. A great deal is made of German 'fear', 'fear' of encirclement, 'fear' of being blockaded, 'fear' of British antagonism in the pre-War years. But, as the War was later to show, England herself had as much to 'fear' as the Germans. Britain had made herself totally dependent upon command of the waters for her daily food and out of real and desperate self-defense she could

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[8] As a topic for further investigation it might be of considerable value for a student of history to attempt to find a relationship between much of the near-hysterical writing that was being regularly printed in Great Britain from the mid-1870's on, which proclaimed incredible designs against England on the part of Germany, and the resulting increase in intensity of German belligerency.

[9] Quoted in William Solf, "Germany's Colonial Policy", Modern Germany in Relation to the Great War, op. cit., p. 146. Solf credits von Bülow with being Chancellor in 1895 but this is a mistake. Solf was Secretary of State for the Colonies in 1915.

never allow any nation to encroach upon her right to that command. At the same time, however, such a position implied that all the rest of the world was to be forever relegated to secondary status. For Great Britain to survive as a World Power no state could be permitted to replace her naval, or, for that matter, commercial supremacy.

England, on the other hand, could hardly expect Germany to take British problems into consideration when it came to the question of German commercial and industrial development. The Imperial Government was out to 'requisition' an Empire, if need be, because of the vague feeling that an Empire was necessary for prestige[10] as well as commerce and (of no small importance in prejudicing the thoughts of Germans) because the memory of the old Samaon incident still rankled.

Thus, Germany's entrance into 'world' affairs had led her to initially concentrate her energy on building up a commercial empire, which, to be effective in an age of economic imperialism, then necessitated gaining a territorial empire, which, if it were to be held, made imperative the existence of a fleet strong enough to protect it. So far, so good. But in 1905 the First Lord of the Admiralty, Sir John Fisher, torpedoed the classically accepted formula by authorizing construction on the first of superbattleships, the Dreadnought. This turned a civilian,

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10 See Jonathan Steinberg, Yesterday's Deterrent: Tirpitz and the Birth of the German Battle Fleet (London: Macdonald and Co., 1965), pp. 67-68.

commercial rivalry into an armaments race which ultimately brought catastrophe.

Sometime after 1900 those British statesmen who were not totally submerged under the troubles of the eternal Irish Question turned apprehensive eyes toward the tariff reforms that were promoting greater freedom of economic movement in Germany. Between 1880 and 1900 Germany had industrialized to such an extent that her national economic system was sufficiently out of equilibrium to create profound concern among her economists. Bülow's tariff reform of 1902, a reform that had been designed by some of the country's foremost experts, was an attempt, to a great extent successful, to rectify this industrial imbalance. German agriculture had been dangerously neglected, and had severely suffered as a result. As a means of helping agriculture in order to bring the Empire nearer a state of economic equilibrium, Bülow's reform specified that manufacturers were to accept an increase of some duties designed to protect farm products. As a compensation, the protection they themselves enjoyed was increased and the commercial treaties with a conventional tariff were renewed. The trend toward industrialization was thereby not interrupted and industry continued to work even more strongly for exportation. Germany had ensured, at the same time, that in event of emergency or war she would not starve.[11]

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[11] That these reforms were extraordinarily effective can be seen in the fact that Germany, to a very large extent, succeeded in feeding herself through four years of war.

But all the tariffs in the world could not change the fact that Germany was, in normal times, a regular importer of foodstuffs--and to exist normally, had to import foodstuffs. It was not only pride that caused the Germans to stress their world role; it was also necessity. "Germany had no choice. If she was not to languish and starve, she had to pursue a world policy and to base her power on a fleet of her own."[12]

Such ambition for empire and navy, supported by Germany's industrial strength, threatened the Island Kingdom with overwhelming disaster. The Germans were challenging every principle that England had fought for over the past three centuries. England, to a greater extent than any nation in the world depended on the seaways for her livihood. But compared with her recognition of the political ramifications of ocean control, her economic dependence was a relatively recent phenomenon.

During and after the War, British propaganda made much of how German war aims had jeopardized the traditional concept of the European 'balance of power'. What must be remembered, however, is that, coming from British politicians, that was all that such sentiment was--propaganda. No British Government had ever been concerned with the moral implications of the 'balance of power' except inasmuch as any continental convulsion disrupted British command of the seas. It was during the wars of Louis XIV

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[12] Erich Marcks, "England's Policy of Force", Modern Germany in Relation to the Great War, op. cit., p. 310.

that the expression had gained general popularity and it was William III who had drawn England into her first major continental conflict over this issue. Ever since then, London had, by accident or design, assisted in 'balancing' the continental powers in such a fashion that her Empire benefitted. The wars of the Great Frederick facilitated her conquest of North America and India; seen from the British point of view, the campaigns against Napoleon were more successful trade wars than anything else, and her later wooing of Italy was done not so much for the purpose of disengaging the pensinsula from a hostile alliance as to ensure the security of her Mediterranean trade routes. Great Britain's 'subsidization' of mainland conflicts had gained her a world empire which had only too often been won on Central European battlefields. It would have been nothing short of absurd to have expected England to start making compensation for this centuries old policy (or, rather, 'non-policy') but serious danger lay in the British disinclination to recognize that German resentment was, to some degree, rooted in historical fact.

A chilling example of this attitude can be found in the memoirs of The Right Honorable L.S. Amery.[13] About 1912 Amery visited Germany and saw the great Theodor Mommsen, a historian

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[13] From 1899 to 1909 L.S. Amery worked under the direction of Chirol in the foreign affairs department of The Times. His most important historical work was his seven-volume Times History of the War in South Africa 1899-1902 (1902-09). From 1911 onward Amery served as a Member of Parliament.

whom Amery professed to greatly admire. In the course of the conversation

> I was deeply disappointed when, after a few minutes, brushing aside my historical queries, he launched out into a long tirade on the subject of England's iniquities. We had let down Frederick the Great after using his victories to help us seize Canada and India. We had filched still more loot from the long Napoleonic wars. We had sympathized with Denmark and France in their wars with Prussia. We occupied vast territories with which we were doing nothing, and keeping out those who could make far better use of them. I had become accustomed to reading that sort of 'history' in the more violently nationalistic newspapers. But coming from one of the world's great scholars it left me profoundly disquieted.[14]

That Amery's only reaction to Momsen's 'tirade' was that of 'profound disquietude' is equally disquieting to the observer. The world position of England was based on naval strength and commercial superiority. But the moral overstructure she had built around this base had become so valuable and convenient a weapon to her political self-respect that her citizens preferred not to give public expression to the true source of her power and thus were all too ready not to comprehend an argument, such as the German, which claimed that it was solely conscious British aggressiveness supported by her fleet which permitted England her supreme position. Mentally, England so confused the moral and political issues of imperialism, colonization and commerce that, in a sense, she had lost much of her ability to deal rationally with the

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[14] L.S. Amery, My Political Life: England Before the Storm 1896-1914, I (London: Hutchinson and Co., Ltd., 1953), p. 98.

complex and many problems that her Empire and world position faced.

A fine example of the moral 'double-think' which so clouded English minds in this period is illustrated in a public address made by Lord Roseberry in 1893:

> England has to consider not only what she wants now, but also what she will require hereafter. It is our heritage and responsibility that the world, in so far as we can mold it, be populated by Anglo-Saxons. We shall grossly fail if we shirk the responsibilities laid upon us--we must not decline to take our fair share in the partition of the world which has been forced upon us.[15]

The 'responsibilities' which had been 'forced upon' England were taken so seriously by her citizens that England increased her empire by two and a quarter million square miles during the last twenty years of the nineteenth century. The 'nation of shopkeepers' well understood that in the intricate and unstable world market which had grown up, advantages lay with those who commanded the largest resources in raw materials and markets, as well as in manufacturing skill and means of transport. About half the world's seaborne trade went in British ships and British imperialists were determined that their lead in this respect should be matched by a dominating position on the continents of Africa and Asia.

That Great Britain was to a frightening extent nothing less than blinded by her own enormous interests in the world before

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15 The Annual Register. . .for the Year 1893, London, 1894, p. 68. Quoted in Erich Marcks, op. cit., p. 308.

1914, and for some years after, is shown in the startled innocence of tone of a 1920 explanation for why Bismarck had trouble being understood at the Foreign Office after he made his first enquiries about African and Eastern territories in the mid-1880's.

> It was difficult for Bismarck to appreciate the position of British statesmen, habituated to rely solely on diplomatic sources of information, and therefore unacquainted with the nature and force of the German colonial movement, and now suddenly called upon to adopt themselves to the idea that Germany was as free to take unappropriated territories as any other state. . .[16]

What British ambassadors in Berlin had been doing for the previous ten years, we do not know. The colonial movement had gained increasing strength from the early 1870's. German merchants and industrialists had made no secret of their preferences and it was widely known that the Sultan of Zanzibar had offered--fruitlessly--to place himself under German protection.[17]

When the British Government <u>did</u> accept the fact that Germany wanted an empire, she 'helped' her claim a few pieces of second or third rate territory[18] and Gladstone gave her a warm welcome into the colonial race.

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[16] Historical Section of the Foreign Office, <u>German Colonization</u>, <u>op. cit.</u>, p. 80.

[17] For a good note on this well-known offer see Townsend, <u>The Rise and Fall of Germany's Colonial Empire</u>, <u>op. cit.</u>, pp. 63-65.

[18] Or so some Britans felt at least. "In obtaining [her colonies, Germany] owed much to the good-will and the assistance of England." D.C. Boulger, "British Distrust of Germany", <u>Nineteenth Century</u>, LIX (1906), p. 6.

> I welcome her entrace into this field of action and shall be delighted for her to become our associate in spreading light and civilization in poorly civilized territories. In this work she will encounter our most heartfelt and best wishes and every encouragement which lies in our power.[19]

But within months Germany found herself competing with a severe handicap--most of the non-colonized world she found blocked to her. England's Monroe-like declaration concerning the Western Pacific,[20] her stand in Africa and her attitude over the future Baghdad Railway all combined to leave the Germans with the impression that England was doing her best to prevent any German expansion overseas. Even a traditionally Germophobe Englishman sympathized enough to write

> /England/ opposed Germany's endeavours to colonize Asia Minor (Baghdad Railway). She has opposed her in the Far East and in South America, and has prevented her from acquiring coaling stations.
> Germany would like to acquire colonies in the tropical zone in order to be able to grow her own cotton, coffee, etc., but here again she has found her path crossed by Great Britain. . .[21]

In 1914 the German colonial empire consisted of approximately one million square miles with an estimated native population of about fifteen million. The German colonies were weakened as they

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[19] Quoted in Solf, op. cit., p. 146.

[20] Historical Section of the Foreign Office, German Colonization, op. cit., pp. 75-76. The British Government declared the "acquisition by any other power of territory in the Western Pacific south of the Equator would be highly detrimental to the security and well-being of the British possessions in Australasia" and so on.

[21] J. Ellis Barker, "The Foreign Policy of William II", Nineteenth Century, LXIII (1908), p. 29.

consisted of a series of scattered territories that had no geographical unity. In several, such as South West Africa, the chief ports were in British hands (in this case, Walfish Bay). In general, the colonies were of little use to Germany as they were not favorable for immigration and they supplied German industry with only a small part of the raw materials it needed. With the sole exception of Togoland, they were economic liabilities to the Berlin Government.

This should not be interpretated to mean that Berlin had gone sour on the idea of Empire. Rather, it served to increase whatever umbrage already existed in German sentiments toward England. If a German had read Boulger's statement quoted above he might have added that he wasn't too convinced of the help supplied by England but he was sure that the English had arranged for Germany to get only the colonies that she had rejected herself. Such notions could only be encouraged by the occasional blunders of British statesmen and in 1887 Joseph Chamberlain did little to contribute to Anglo-German understanding when he stated, ". . .I share the opinion of that diplomatist who. . .divided humanity into three classes--the English, the Americans and the foreigners".[22]

Such an opinion was intolerable to the German just as he reached his period of burgeoning power. The German trumpet blast for equality sounded across the world and Germans made it

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[22] Speech given in Toronto, December 30, 1887. Quoted by Berard, op. cit., pp. 61-62.

clear that they refused to be lumped together with the Australians, the Portuguese and the Siamese.

> Germany cannot afford to be a quantité négligeable when international problems, and problems essentially affecting our interests, are to be solved, and when the scene of these problems is not upon the soil of the continent of Europe.[23]

For too long she had been neglected in the Councils of the Powers, for too long her voice had gone unheard or ignored. Even under that greatest German, Bismarck, the policy had been one of mediator, peace-maker; in a word, a role no longer suitable for a nation in the midst of the fastest transformation the world had ever seen.

Domestic British politics provided no security for German trade either. The period just before and after the turn of the century was the hey-day of tariff reform agitation in England. A great part of the German success story depended upon the free markets of British colonies, spheres of influence and the home market. Now there appeared to be an immediate danger of being cut off from this vast free market. A momentary panic hit Germany in 1897 when England renounced her 1865 commercial treaty with Prussia to prevent Germany from benefitting from preferential tariffs recently conceded to the mother country by Canada.[24]

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[23] Prince Hohenlohe, Debate in the Reichstag, December 14, 1897.

[24] The 1865 treaty with Prussia allowed German goods to go into England and her colonies for no more than the import duties into Germany. England renounced the treaty when the Germans claimed that Canada was bound to extend to her the preferential tariffs offered to England. See Henry Birchenough, "England's Opportunity--

This served to raise German fear of the establishment of an imperial preference in the British Empire to fever pitch and only a few years later the campaign speeches of Joseph Chamberlain added to this the dread that such an inclination might lead to an imperial tariff.[25]

Such alarms created much anxiety for the future of German commerce. In addition to this was added the growing awareness that Britain, in turn, was concerned with the question of her commercial position in the face of increasing pressure from German manufacturers. What might England do if the pressure got too strong? No German would have questioned the fact that her Empire had thrust upon the British Parliament tremendous responsibilities that only a strong navy could protect. But, it was noted, Germany now had her own Empire (poor though it might be) and commercial interests of no trifling value.

> Germany perceives the historical fact that England's world power rests on the invincible strength of her Navy; sea supremacy she acceptes as the basic position of England's future, but draws from this the inevitable conclusion that she herself must have wherewith to defend her own interests. For if England can no longer suppress Germany's commercial rivalry, she may decide on the breaking and destruction of Germany. Her glorious naval traditions, when she shattered the sea-power of

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Germany or Canada", Nineteenth Century, XLII (1897), for a full discussion of this. Also see Die Grosse Politik der Europäischen Kabinette 1871-1914, XIII (31 July 1897), No. 3413, for Wilhelm's usual hyperbolic reaction to any such occurance. The Kaiser forecast immediate and total ruin for Germany were such possibilities to materialize.

[25] See Clapham, op. cit., pp. 320-321 and C.S. Goldman, "A German View of the Anglo-German Problem", Nineteenth Century, LXV (1909), p. 347. The fear of this naturally spurred Germany on to even greater efforts to gain her own colonies or spheres of influence.

both Holland and France, are there to give her confidence.[26]

After 1890 German economic expansion increased primarily in terms of an inter-related world wide pattern and was virtually dependent upon the sea. By 1904 over two-thirds of German trade was dependent on sea-routes[27] and in 1903 foodstuffs comprised thirty percent of her whole imports.[28] Not unnaturally the Imperial Government set about doing what it felt to be necessary to protect these interests.

William II wanted a fleet. He had wanted a fleet all his life and since childhood he had been fascinated by any naval demonstration of power.[29] On becoming Emperor in 1890 he had immediately set out to build one. He himself assumed the responsibility of increasing the size of the German fleet (which in 1890 was not large enough to have even protected Germany's merchant marine in the event of European conflict) and with his support the Naval Office rapidly increased its scope of ambition and activity.[30] In June of 1894 then Captain Alfred von Tirpitz

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[26] Goldman, op. cit., p. 352.

[27] Louis Elkind, "The German Naval League", Nineteenth Century, LVI (1904), p. 1019.

[28] Earl Dean Howard, op. cit., p. 41

[29] See the very sympathetic portrait of the Kaiser's dreams, from early childhood, to build a large German navy in Archibald S. Hurd, "The Kaiser's Dreams of Sea Power", Nineteenth Century, LX (1906).

[30] von Tirpitz, op. cit., pp. 4-36 for an account of his early days and activities in the Navy.

issued the following memorandum on the importance of sea-power.

> A state which has oceanic, or--an equivalent term--world interests must be able to uphold them and make its power felt beyond its own territorial waters. National world commerce, world industry, and to a certain extent, fishing on the high seas, world intercourse and colonies are impossible without a fleet capable of taking the offensive. The conflicts of interests between nations, the lack of confidence felt by capital and the business world will either destroy these expressions of the vitality of a state, or prevent them from taking form, if they are not supported by national power on the seas, and therefore beyond our own waters. Herein lies by far the most important purpose of the fleet.[31]

Initially, the British took the new German interest in a strong naval force calmly enough. In 1893 The Fortnightly Review had written: "Commerce either engenders a navy which is strong enough to protect it, or else passes into the hands of foreign merchants, who already enjoy such protection."[32] As late as 1900 (but before the passing of the Naval Bill of 1900) British observers felt it was not unreasonable that Germany should wish to protect her growing commerce "in the usual way. The existence of a battle-fleet to support German cruisers and other commerce-destroying craft was taken as natural and inevitable by a great

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[31] Cited in E.L. Woodward, op. cit., p. 19. See also Theodore Roosevelt's speech which was almost identical in idea: "No decree or other remedy can be invented to save a people who have neglected the primary and foremost national quality, that of being able to defend their hearths and homes from being subjected to the most ruthless ill-treatment. If we wish to avert insults we must have the power to reject them. If we are sincere in our profession of peace it must be general knowledge that we are fully prepared any moment for war. In fact, it is unworthy of a great industrial State to stake its existence on the sufferance of a well-inclined or maybe ill-disposed neighbour." Quoted in Goldman, op. cit., p. 358

[32] Cited in von Tirpitz, op. cit., p. 3.

sea power".[33]

Such generosity of spirit on the part of England, however, did not last long. The first signs of British apprehension appeared early--immediately after the publication of the Naval Law of 1900, the preamble of which contained the words, "Germany must have a fleet of such strength that even for the mightiest naval Power a war with her would involve such risks as to jeopardize its own supremacy". The 'mightiest naval Power' could refer to no nation other than Great Britain.

What exactly Tirpitz, by then Chief of the Naval Staff, had in mind is not precisely known. But an intelligent man might have been expected to see that the naval policies which he initiated would lead, sooner or later, to a clash with England. Was such a clash his real aim? His frequent denials are hardly decisive because ambitious designs against one's neighbors are not, generally, openly proclaimed. At the same time, there is no evidence nor any reason to believe that Tirpitz believed that the German fleet would ever be capable of replacing the British. But that he intended to face Britain with a formidable naval rival there can be no doubt. The sentiment was growing all over the world that English naval supremacy, regardless of how generally benevolent it was, must be ended. The complex interplay of the many factors which contributed to this state of

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[33] Woodward, op. cit., p. 54. See also J. Ellis Barker, "Holland and Germany", Nineteenth Century, LX (1906), in which he considers it natural that Germany should have a strong commercial fleet but then goes on to explain how the German Government had mapped out a conquest of Holland to gain cheaper water carriage and better trade harbors.

mind is perhaps best summed up in the letter of an American businessman to the author Owen Wister in 1916. It is worth quoting at length.

> . . .No: our distrust for England has not its life and being in pernicious textbooks. To really believe that would be an insult to our intelligence--even grudges cannot live without real food. Should England become helpless tomorrow, our animosity and distrust would die tomorrow, because we would know that she had it no longer in her power to injure us. Therein lies the feeling--the textbooks merely echo it. . .In my opinion, a navy somewhat larger than England's would practically eliminate from America that "Ancient Grudge" you deplore. It is England's navy--her boasted and actual control of the seas--which threatens and irritates every nation on the face of the globe that has maritime aspirations. She may use it with discretion, as she has for years. It may even be at times a source of protection to others, as it has--but so long as it exists as a supreme power it is a constant source of danger and food for grudges.
>
> We will never be a free nation until our navy surpasses England's. The world will never be a free world until the seas and trade routes are free to all, at all times, and without any menace, however benevolent.
>
> In conclusion. . .allow me to state. . .my own ancestors were from England. My personal relations with the Englishmen I have met have been very pleasant. I can readily believe that there are no better people living, but I feel so strongly on the subject, nationally--so bitterly opposed to a continuance of England's sea control--so fearful that our people may be lulled into a feeling of false security, that I cannot help trying to combat, with every small means in my power, anything that seems to propagate a dangerous friendship.[34]

Sentiments such as these, as well as the economic considerations, no doubt contributed their share to Tirpitz's determination to challenge Britannia's naval supremacy. But in 1896 the British Navy possessed thirty-three battleships as compared with Germany's

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[34] Cited in Owen Wister, A Straight Deal or The Ancient Grudge (New York: The Macmillan Company, 1920), pp. 13-15.

six and one hundred and thirty cruisers as compared with four. It hardly appeared possible that Germany would be permitted to catch up peacefully and was thus destined to remain at England's mercy. Tirpitz got over this difficulty by formulating his 'risk' theory. According to this, Germany could have security without having to equal the fleet of the strongest naval power. All that was necessary was to build a fleet strong enough to inflict serious damage on any enemy that attacked it. No enemy would then attack for fear that, even if the damage inflicted brought victory, the damage suffered would be such as to put the victor at the mercy of third Powers with strong navies.[35] Viewed as an exercise in logic this theory has obvious flaws, notably in assuming that the strongest naval Power would be friendless. But it corresponded with the political circumstances of the time. Moreover, the current British doctrine of the 'Two-Power Standard', by which the British fleet had to be stronger than the next two navies combined, was based on very much the same calculations.

The Two-Power Standard implied that, as other countries built up their navies, Britain would follow suit. During the whole

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[35] The 'official' definition of the 'risk' theory by the British Government ran as follows: ". . .for Germany to achieve such a degree of naval power that the British Empire shall hesitate in all events to face the risk of a collision with it; in other words, that Germany shall be secured on the seas the same position which the German army has served for her on the continent of Europe". Brassey's Naval Annual 1900 as cited in W.H. White, "The Naval Situation and Party Politics", Nineteenth Century, LXVII (1910), p. 214.

period from 1870 to 1914 Britain's expenditure on defence was higher than Germany's and over the years 1895-1914 Germany was still devoting a significantly smaller proportion of her national income to armaments than Britain did.[36] The German Admiralty believed that, if they forced the pace in naval building, British public opinion would not permit the British Government to keep up.[37] The main danger, in Tirpitz' view, consisted of a preventive attack before the German fleet was strong enough to make Britain think twice.

Tirpitz, after 1902, had cause to fear this eventuality. As early as 1904 Vanity Fair editorials pleaded for a surprise 'preventive' war and for 'Copenhagening' the German fleet (a la Nelson) before it grew too large. "If the German fleet were destroyed the peace of Europe would last for two centuries

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[36] This in spite of the insistence of the British on how much Prussian 'militarism' was costing the German nation! Between 1895 and 1904 England put 3.98 percent of her national income into Defence whereas Germany placed only 2.59 percent of her income in Defence. Between 1905 and 1914 the ratio was 3.26 percent to 2.88 percent. But during the years between 1900 and 1909 (the years of the Dreadnoughts) England had given 4.4 percent of her income to armaments whereas the Germans had only appropriated 2.65 percent for armaments. Balfour, op. cit., Appendix I, Table X, p. 447.

[37] Tirpitz knew what he was talking about and the continual increase on naval expenditures was a frustrating source of embarassment to the ruling Liberal party in England. Tirpitz personally held the belief that eventually England would prefer alliance with Germany to financial ruin. For many years naval expansion was, for Tirpitz, only a means to an end: German hegemony in Europe and equality with Britain throughout the world. See Jonathan Steinberg, op. cit., pp. 24-25.

. . ."[38] And not only Vanity Fair carried such suggestive material. The Daily Mail, the Daily Telegraph, and even the Times all contributed to increasing the British public's fear of the German Navy.[39]

Long after the ultimate catastrophe was past, E.L. Woodward wrote

> a few isolated threats in obscure newspapers, a few obiter dicta of expansive admirals, could count for nothing against the great mass of pacific opinion and the attitude of responsible statesmen. . . /The/ idea of a preventive war to sink the German fleet before it should become too powerful was not seriously considered in England. There was even less desire to go to war in order to destroy German commerce and sink the German mercantile marine.[40]

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[38] Vanity Fair, November 14, 1904. Cited in Richard Hough, Dreadnought (New York: The Macmillan Company, 1965), p. 47. The full quote is given in Ilse Metz, Die deutsche Flotte in der englischen Presse: der Navy Scare vom Winter 1904/05 (Vaduz, Kraus Reprint Ltd., 1965), p. 73.

[39] "The real cause of the English hatred of Germany is the jealousy aroused by the astonishing development of Germany's merchant navy and of her commerce and manufactures. This hatred. . .is studiously fostered by the Times and a whole string of other daily papers and periodicals. . ." Statement by the Belgian minister in Berlin, 18 February, 1905. Quoted by Albert Jay Nock, The Myth of a Guilty Nation (New York: B.W. Huebsch, Inc., 1922), p. 64. Note also that Whelpley, op. cit., in his travels around Europe, found a strong anti-war sentiment in Germany while "The London newspapers were printing letters from their readers urging the destruction of the German fleet without warning". (p. 67) Even earlier the September 11, 1897, issue of the Saturday Review had stated: ". . .If Germany were extinguished to-morrow, the day after to-morrow there is not an Englishman in the world who would not be the richer. . .must /nations/ not fight for two hundred and fifty thousand pounds of yearly commerce?. . .To this pass has the muddling of the German Emperor brought Germany, and at a time when England has awakened to what is alike inevitable and her best hope of prosperity. Germaniam esse delendam." Cited in Metz, op. cit., p. 13.

[40] Woodward, op. cit., pp. 14 and 54-55. But also see Karl Blind, "The New Situation in Germany", Nineteenth Century, LXI

One of those 'expansive' admirals, however, was the First Sea Lord from 1904 to 1910, Sir John Fisher. Although Fisher was once rebuked by King Edward, to whom he proposed the possibility,[41] these high level threats certainly filtered back to Tirpitz.

British sensationalists lost no time in assuring their audience that Germany had an entire tradition of not bothering to declare war on her foes before attacking[42] and the menacing

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(1907), p. 471. "Language held by a late Lord of the British Admiralty as to the necessity of 'smashing a certain navy in the North Sea before people even knew that there was a declaration of war' has made a deep impression in Germany--not in the way of fear, but of greater readiness for preparing against a possible danger. The revelations of M. Delcasse had added to that feeling. He asserted, uncontradicted, that '100,000 English troops had been promised to him for a landing in Schleswig-Holstein' in a certain eventuality! When it was seen that even in a Social Democratic organ of this country the return to office of M. Delcasse. . .was repeatedly wished for, that those French Socialists /who were responsible for Delcasse leaving office/ were blamed here by English comrades, the impression in Germany grew still deeper."

[41] Hough, op. cit., p. 47. Edward is reported to have replied, "My God, Fisher, you must be mad!" This brought on what was generally referred to as the naval scare of 1904 which William Harbut Dawson, in The Evolution of Modern Germany (London: T. Fisher Unwin, 1911), explains as only part of the nervousness of the time: "Germans in general. . .had become restless and irritable, and in the winter months of 1904 one of those unaccountable scares to which emotional nations are liable took possession of them." (p. 417) A similar event occurred in 1907 when the belief that "Fisher was coming" actually caused a panic at Kiel and parents kept their children away from school for two or three days. See A.J. Marder, From Dreadnought to Scapa Flow, I (Oxford: Oxford University Press, 1961), p. 114.

[42] See J. Ellis Barker, "Future Anglo-German Relations", Nineteenth Century, LIX (1906), pp. 538-539.

opinions of General Friedrich von Bernhardi were widely quoted.[43] It was not generally included in such information, however, that von Bernhardi had been dismissed from the German General Staff by Schlieffen before 1906.[44]

After 1906, with the appearance of the first Dreadnought, the naval rivalry lost all pretense of maritime defense and assumed the strict characteristics of an armaments race.

The first Dreadnought was laid down on October 2, 1905, just under a year after Fisher took office as First Sea Lord, was ready for launching four months later, and was complete and ready for her trials just three hundred and sixty-six days after work began on her. The personal brain-child of Fisher, it was calculated that this achievement would astonish the world and prove to her rivals not only that Britannia was prepared to derate the whole of her battlefleet and start afresh with new superbattleships but also that she had the wealth and means to do so. It was a gesture of splendid and characteristic arrogance and contempt for the lesser imperialists of the world, and it brought in its train dismay, wonder and political furor.

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[43] An example of von Bernhardi's aggressive style is the following selection taken from his Germany and the Next War: "On the one hand, it is to be feared that the fighting strength of the fleets hostile to us increases more quickly than that of our own; on the other hand, I believe that the general situation makes war with England inevitable even if our naval force reaches its statutory strength in modern men-of-war in the shortest possible time. My view, therefore, is that we must first of all lay the solid foundation without which any successful action against the superior forces of the enemy is unthinkable." Cited in The Historical Section of the Foreign Office, German Opinion on National Policy Prior to July 1914, II (London: H.M. Stationary Office, 1920), pp. 36-37.

[44] Walter Goerlitz, The German General Staff 1657-1945 (New York: Frederick A. Praeger, 1962), p. 136.

The launching was the clearest and most provocative confirmation to the world at large, and to Germany in particular, that Britain was determined to destroy any delusions of maritime grandeur that might be gaining ground across the North Sea. To von Tirpitz the event was an English admission that German fleet-building was being taken seriously.

> . . .the demand for our political humiliation, which had been going on for almost a decade, was now known, and the status of our fleet at that time was too small to explain such measures as the concentration of British squadrons in the North Sea. At the bottom of it all there was the clear intention of making us afraid, and if possible of nipping in the bud our impulse towards international independence.[45]

Tirpitz saw another sinister intention behind the Dreadnought's launching: that it was "on the assumption that the German Navy would not be able to get ships of similar dimensions through the locks of the Kiel Canal".[46]

The Kiel Canal was immensely important to the German Navy. It had been built, from 1886, as a sixty-one-mile-long safe strategical shortcut between the Baltic and the North Sea. Its completion eliminated the long and hazardous journey around Denmark and all need for a separate Baltic Fleet in defense against Russia's considerable force in this sea. It had been built when the biggest battleships in the world were under 12,000 tons and when there was still no hint of the imminent

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[45] von Tirpitz, op. cit., p. 274.

[46] Ibid., p. 236.

increase in battleship displacement. Tirpitz's last class of pre-Dreadnought battleships, of 13,200 tons, were the largest size that could be accommodated in the Kiel locks; anything larger would require long and costly widening.

Fisher knew this as did every naval expert. His decision to press for an even larger superbattleship was therefore widely regarded in Germany as a direct challenge. The German Navy had either to retire from the competition or spend long years and many millions on a vast civil engineering project. Although this knowledge can hardly be thought to have been the fundamental factor influencing his decision, there is a definite note of satisfaction sounded in Fisher's Memoirs over the inconvenience his move caused Germany.

> A new Kiel Canal, at the cost of many, many millions had been rendered necessary by the advent of the Dreadnought . . .worse still. . .it was necessary for them to spend further vast millions in deepening not only the approaches to the German harbours, but the harbours themselves, to allow the German Dreadnoughts, when built, to be able to float.[47]

The provocative element in the construction of the Dreadnought was hotly debated and formed the basis for political controversy for years to come. But for Tirpitz and his supporters, to whom surrender was unthinkable, the only possible response to this superbattleship was to imitate and then excel. The logic was irrefutable. ". . .English Dreadnoughts would have to be met with German Dreadnoughts, and they resolved to build Dreadnoughts."[48]

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[47] Cited in Hough, op. cit., p. 25.

[48] J. Ellis Barker, "The Foreign Policy of William II", Nineteenth Century, LXIII (1908), p. 31.

From a British manufacturer's point of view, the longer the war continues the better for British industries. We may feel the pinch at present, but years hence we shall get the benefit. Every German firm in British Colonies, which has been eating into the very vitals of the British manufacturer and operatives, will be ruined. If we had had a larger military force to rush into the field and subdue Germany at the start, the effects would not have been so far-reaching.

The Times, December 11, 1914

What are we fighting for? To defeat the most dangerous conspiracy ever plotted against the liberty of nations; carefully, skilfully, insidiously, clandestinely planned in every detail, with ruthless, cynical determination.

Statement made by Lloyd George
August 4, 1917

Chapter V

Conclusion

As the twentieth century opened, Great Britain's problem was not one of economics but of balance. Her power and prestige were greater than that of any empire the world had ever known but upon being challenged, suddenly and unexpectedly, by a people she had always patronized, her citizens lost their reserve. What strikes the reader of contemporary British newspapers and periodicals is how both logic and the English language appeared to breakdown when it came to the British discussing their position vis a vis the German.

More often than not, the solutions to the rivalry offered by the British in the name of 'reason' were nothing more than irrational. An example of this was Henry Birchenough's 1898 article in the Nineteenth Century.[1] He began by stating that Germany's need for colonies was understandable if Germany was to hold a major position in the world. A drawback, however, "to the realization of these hopes and dreams. . .is that they have come too late".[2] In other words, at a time when a considerable part of Africa, Asia and the Ottoman Empire was

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[1] Henry Birchenough, "The Expansion of Germany", Nineteenth Century, XLIII (1898), pp. 182-191.

[2] Ibid., p. 185.

providing unlimited scope for contention arising from the colonial ambitions of France and England, the voice of British reason saw no alternative but for Germany to withdraw from the colonial race and "turn her efforts to becoming a great commercial empire".[3] Exactly how one was to become a 'great commercial empire' without the benefits of colonies and their raw materials and spheres of influence and their markets in the economic world of 1900 Birchenough failed to clarify.[4]

The alternative reaction to the German presence was hardly short of dementia. 'Rivalry' was crudely translated into 'aggression', 'threat', 'war', 'greed' and 'militarism'. As early as 1895 articles regularly began to appear which announced 'imminent invasion' in panic-stricken tones.[5] The overall impression received from reading the sources of the period is one of innocent, good-hearted, generous and civilized England being cruelly pushed around, lied to and bullied by the barbarous, brutish and ungrateful Germans.

On the one hand it is impossible to have expected England to open her arms and heart to a nation whose industry threatened

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[3] Ibid., p. 185.

[4] We are not here concerned with the validity of the theories of national economy prevalent in the Europe of 1900. Suffice it to say that it was generally understood that for an industrial European nation to be an economically viable state it was necessary that it possess both guaranteed outlets for its manufactures and guaranteed sources of raw materials.

[5] See Katherine Blyth's articles "Sketches of Germany" in the 1890's in Nineteenth Century, the Spectator, LXXXIX (1902), pp. 558-559, and D.C. Boulger, "Germany and Belgium", Nineteenth Century, LVIII (1905).

hers, but, on the other, it is difficult to gauge her near hysterical reaction to the emergence of Germany as a great Power. England had gained her own preeminence at the expense of the Netherlands[6] and France, but she had not learned from her own history. Holland and France had fallen because England had outdistanced them industrially and they had failed to follow the innovations made by their commercial rival. But now the British were displaying that same suspicion and "unbelievable ignorance and prejudice"[7] toward the newest competitor for power.

This paper concludes with the launching of the Dreadnought. It does so in the belief that naval questions quickly replaced commercial ones in the consciousness of both the public and the two Governments concerned. Although this writer has no intention of pursuing the following developments in the two countries it might be of interest to note that it was not until after 1905 that German newspapers became constant in employing a tone of bitter resentment when remarking on the continuing deterioration of relations between England and Germany. More often than was good for the relations of the two States, pre-1905 articles and editorials in German news media had struck a note of belligerant assertiveness. But much of this, as many Englishmen recognized,

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[6] As to the cause of the Anglo-Dutch conflict, the British Admiral Monk had this answer: "What matters this or that reason? What we want is more of the trade which the Dutch now have." Quoted in Schumacher, op. cit., p. 139.

[7] Charles Copland Perry, op. cit., p. 527.

was nothing more than ill-mannered braggartism and adolescent heroics.[8] Before 1905 there had been plenty of open hostility against England. After the Dreadnought revolution, however, a critical change in the German attitude occurred. While in the process of building their own new fleet, prominent Englishmen insinuated and then openly declared that the Germans were also building a new fleet--secretly. This reached the point that in 1909 Asquith, McKenna and other members of the British Government publicly stated that the Germans were clandestinely building beyond the sums provided for in the German Naval Estimates.[9]

It is often said that the Imperial Government stimulated public fear of England to get the naval and military measures they wanted pushed through the Riechstag. Certainly the British used the naval problem in an identical manner. In March of 1909 the editor of a leading British newspaper asserted that

> 'by an act of moral treachery a foreign Power has doubled its naval program in secret and has gained six months start in a conspiracy against our life'. The sweeping and alarmist statements in regard to German policy made by Mr. Blatchford have received editorial endorsement from the journal in which the articles first appeared, and these articles were subsequently collected and scattered broadcast during the preliminaries to the General Election.[10]

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[8] As for the British Government's opinion of the young Kaiser's person, perhaps Lord Salisbury gave the most succint comment: "It rather looks to me as if he was not 'all there'." Balfour, op. cit., p. 125.

[9] von Tirpitz, op. cit., p. 268, n. 1. This accusation was never officially retracted in England by the Government until November 9, 1911, when Winston Churchill, as First Lord of the Admiralty, testified that this was not the case.

[10] W.H. White, "The Naval Situation and Party Politics", Nineteenth Century, LXVII (1910), pp. 199-200.

This play on British sensibilities not unnaturally created an additional amount of uneasiness among the English and added considerable impetus to the 'jingoism' that already existed and was being exploited by the more determined Germophobes. Uncharacteristic indeed was the foresight found in the following:

> Unless the British Government resolves to treat the German naval preparations as an unfriendly act, it will do well to maintain strictly the friendly relations which officially exist between the two great Empires, while disregarding the interested and factious attempts to stir up ill-will between them.[11]

The immediate question of superbattleships was one that the British themselves had opened. To some extent Fisher had conceived of the idea of a superbattleship as the result of the reports of officers who were on board the Japanese ships in the Russo-Japanese war. But when von Bülow claimed in 1908 that Germany was then building Dreadnoughts not to threaten England but because the Russo-Japanese War had demonstrated the need for a change in naval warfare and because England, France, Japan and the United States were building superbattleships[12] the English were not reassured. It was useless to argue that "When the Kaiser pleaded for a large Navy, he was merely following an international fashion, however bombastically he chose to phrase his ideas".[13] His Majesty's subjects had convinced themselves that

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[11] Cecil Battine, "Dutch and Belgium Independence", Nineteenth Century, LXVII (1910), p. 674.

[12] Sidney Garfield Morris, "Prince Bülow: An Appreciation", Nineteenth Century, LXIV (1908), p. 689.

[13] Steinberg, op. cit., p. 26. Also see pp. 77-78.

any German navy was directed solely against them[14] and, as a result, held the German 'threat' responsible for the necessity of higher British naval estimates.

Taking into consideration Great Britain's diplomatic position after 1905 it is difficult not to sympathize with the new tone of exasperation used by responsible Germans in response to the British attitude on the naval problem. In 1907, a leading editorial in Vossische Zeitung, the chief organ of the commercial, anti-military Radical party of Prussia, expressed its puzzled irritation with the British:

> Why is Germany put in the foreground in discussions of the armament question? The Government's plans have been publicly explained, and have been sanctioned by the Reichstag. England will surely not express or indicate a wish in Berlin that the new German Navy Bill shall not be carried into effect? If the English believe that in spite of their friendly relations with France and Japan, and in spite of their understanding with Russia, they must lay down two ships of the same type for each one that Germany lays down, we ought not to be made responsible for the increase of the English Naval Estimates.[15]

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[14] "The sole original cause of the estrangement of England from . . .her historical German ally, is the unnecessary, excessive, and menacing growth of the German Navy." D.C. Boulger, "British Distrust of Germany", Nineteenth Century, LIX (1906), p. 4. Mr. Boulger stated that if Germany truly desired peace, the Emperor should give proof "that he has no design of ousting England from her paramount position on the sea" by withdrawing his new Naval Bill from the Reichstag. A well known American visiter to England had other views. Andrew Carnegie wrote: "It is highly probable that it is the progress of Germany as an industrial power which has aroused the unreasonable jealousy of her as a naval, shipping, and colonial power, which, as far as we can see, is baseless." "The Cry of Wolf", Nineteenth Century, LX (1906), p. 228.

[15] Cited in W.H. Dawson, The Evolution of Modern Germany (London: T. Fisher Unwin, 1911), p. 255.

When, in the period of growing tension between the two countries, English individuals attempted to persuade Germans that Britain would turn against the United States, and not Germany, if she were fearful for her world position,[16] Germans only turned away in derision. Besides the feeling of 'brotherhood' that men like Chamberlain claimed, there were far more practical reasons why pragmatic England would not pick a war with America. Although by 1905 it had become evident that Great Britain would ultimately have to compete with the United States and not Germany for world commercial supremacy[17] the problems raised by such a confrontation were complex. America was largely self-supporting and thus could not be crippled by a naval blockade. In addition, and even more pertinent, America could, if she wished, effectively compromise a British offensive by her commanding position over Canada.[18] The German notion

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[16] This was even a post-war argument for the British. See Woodward, op. cit., p. 41.

[17] This becomes obvious when the following increases in economic growth are noted:
Percentage Distribution of the World's Manufacturing Production by Country, 1870-1913

Period	World	U.S.A.	United Kingdom	Germany	France	Russia
1870	100.0	23.3	31.8	13.2	10.3	3.7
1881-1885	100.0	28.6	26.6	13.9	8.6	3.4
1896-1900	100.0	30.1	19.5	16.6	7.1	5.0
1906-1910	100.0	35.3	14.7	15.9	6.4	5.0
1913	100.0	35.8	14.0	15.7	6.4	5.5

Statistics taken from League of Nations, Industrialization and Foreign Trade, (Geneva, 1945), p. 13. Cited in Gerald M. Meier and Robert E. Baldwin, Economic Development: Theory, History, Policy (New York: John Wiley & Sons, Inc., 1963), p. 249.

[18] Goldman, op. cit., p. 347.

that England turned her aggression from the United States to Germany only because she had less to fear from the Germans was only so much more gall for them to swallow. On February 13, 1896, Tirpitz wrote to a fellow naval officer "England swallows rude behavior from America. . .above all because America is an unpleasant enemy and Germany pays the bill, because at the moment it has no sea-power worth mentioning."[19]

Tirpitz was not alone in his conviction that German world interests suffered as the result of the lack of a German navy. It had, to a great extent, been due to the support of the German business community that he had succeeded in pushing through his first Naval Bills.[20] And in the "Inquiry" opened by the Nord und Sud in July, 1912, it was discovered that it was still "the great manufacturers, the 'business interests', in Germany who are most convinced of the needs of a powerful fleet."[21]

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19 von Tirpitz, op. cit., p. 55.

20 Ibid., p. 3. Also see Solf, op. cit., p. 165. The British interpretation of the German argument of the economic importance of a strong German fleet is perhaps best summed up in Woodward, op. cit., p. 39: "The memorandum appended to the Navy Law [of 1898] assumed that a war for 'economic interests, particularly for commercial interests', might be profitable to a naval Power which could blockade the coasts of Germany. This view implied that Great Britain, jealous of the increasing trade of Germany, and anxious for her own trade interests and a commercial supremacy which was being won from her by Germany, would go to war for the destruction of German trade." Such an opinion was, according to Woodward, worse than worthless.

21 W. Morton Fullerton, Problems of Power (London: Constable and Company, Ltd., 1913), p. 207. Fullerton continued: "Whatever the added chances of international collision created by its growth, the original motive of this expansion may fairly be ascribed to economic causes unmixed by bellicose intent." Ibid.

This brings us back to where we started. German businessmen wanted a fleet to safeguard their commerce. They had no doubt whatsoever about the strength of German trade. "Wenn wir noch hundert Jahre Frieden haben," an eminent German businessman said to a German general, "werden wir England tot gemacht haben."[22] Perhaps similar nagging suggestions were at the back of many English minds also. English post-War writers went to great lengths to deny that trade was a decisive factor in Anglo-German relations[23] but in the summing up of the results of his investigation, the British naval officer who in 1909 wrote the prize essay on England's wars, concluded: "We give all sorts of reasons for war, but at the bottom of them all is commerce."[24] As late as 1912, the American, F.E. Chadwick, was convinced that the "deadly microbe" for producing European war was "special commercial advantage".[25] A more moderate, but perhaps more comprehensive, view was ". . .all the

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[22] Quoted in J.H. Clapham, An Economic History of Modern Britain: Machines and National Rivalries, III (Cambridge: The University Press, 1938), p. 69.

[23] e.g., Woodward's "German economic rivalry only affected the diplomatic course of events at points where Germany was seeking political power, and not merely an open door for trade". Op. cit., p. 41.

[24] Written for the United Service Institution in 1909. Cited by Schumacher, op. cit., p. 139.

[25] F.E. Chadwick, "The Anglo-German Tension and a Solution", American Journal of International Law, VI (July, 1912), p. 607.

time commercial jealousy and trade rivalry kept inflamed feelings from cooling, even when, on the surface, troubles were for the time being smoothed over or safely hidden away".[26]

If the naval officer's essay was a crude over-simplification there is in it, however, a sound basis for consideration. Great Britain lived on commerce; she had gathered to her an Empire not so much for Empire's sake as for the commercial benefits which accrued to her as a result of ownership. The existence of global Empire had led, over the centuries, to the construction of a fleet seemingly so invincible as to create a myth--"the freedom of the seas". Reduced to terms of Machtpolitik this 'freedom' vouchsafed all nations free usage of the world's waterways under the benign aegis of the Crown. Now, that this broad British control was generally benevolent for all concerned few individuals anywhere in the world would contest.[27] But the British Empire and naval

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[26] C.E. Playne, The Neuroses of the Nations (London: George Allen & Unwin, Ltd., 1925), p. 108.

[27] "The English, who instinctively regard English world-supremacy as identical with the supremacy of civilization, liberty and humanity, assume, with a naive integrity which is by no means hypocrisy, that the other nations have no reason, and therefore no right, to be dissatisfied with British expansion, since England only expands in the interest of all and her interests are in the interests of all. So long as England adheres to free trade, this naive belief contains a kernel of truth. Germany, for example, has been able to develop her economic interests in England, and in a large part of the English colonies, freely and unhindered; and has reason to be more satisfied with the way in which England has used her political supremacy than with the attitude shown by all other States. Without this moderation of the pressure which English world-domination exercises upon its antagonists, the maintenance of such domination would not have been possible." J.J. Ruedorffer, Grundzüge der Weltpolitik in der Gegenwart (1913), pp. 202-203. Cited in the Historical Section of the Foreign Office's German Opinion of National Policy Prior to July, 1914, II, op. cit., p. 36.

supremacy formed an obstacle to the ambitions of the rest of the world. As noted before, all other nations were, by force of logic, relegated to secondary positions. By 1914 England was importing more than half her foodstuffs[28] and not unnaturally it was easily believed that in order to eat, England had to remain supreme and by definition, 'supreme' admits of no equals. So Britain's primary interest lay in nursing the existing world structure--in other words, in preserving the status quo.

Not unreasonably, however, the very fact of such strident world supremacy, even if usually benignant, grated on the feelings of self-respect of the rapidly developing nations of the West. Winston Churchill could have been speaking for the rest of the world when he wrote in 1914:

> We have got all we want in territory, and our claim to be left in the unmolested enjoyment of vast and splendid possessions, mainly acquired by violence, largely maintained by force, often seems less reasonable to others than to us.[29]

America escaped the more emotional aspects of the problem not only because she was totally engaged in her own problems and appeared to have repudiated all 'Old World' ties, but also because several thousand miles of ocean lay between her and Europe. The industrial revolution had wrought miracles in methods of transportation and communication but not yet did any American

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[28] Heaton, op. cit., p. 624.

[29] Cited in Marder, op. cit., p. 322 from the original Admiralty document. The words "mainly acquired by violence, largely maintained by force" are omitted from The World Crisis.

feel his or her security threatened by Continental occurances. In addition to these reasons, no European had cause to believe that America was enough interested in European affairs to engage in activity inimical to the interests of any Old World government.[30]

Germany, however, had no ocean between herself and the other European powers to contribute to a general sense of security. France and England were only too uncomfortably aware of the proximity of this latecomer to nationhood. And in Germany, herself, peculiar forces were at work. For more than two hundred years there had been some form of connection--however tenuous--between these two Teutonic peoples. English kings had their family origins in German states and German liberals had, over the many years, sought guidance and inspiration in British political and social institutions. The British had, in their turn, ceaselessly--so they claimed--attempted to 'enlighten' autocratic Prussia.

Not until 1870-71 was German statehood achieved and unity was then only imposed under distinctly Prussian auspices. Bismarck himself was so compellingly a Prussian gentleman that under his heavy hand Germans, so preoccupied with themselves, appeared to have no particular 'identity' problem. About 1890,

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[30] Indicative of just how informal European attitudes were toward America and *vica versa* is the engaging description of Theodore Roosevelt's 1910 European tour in Walter Lord's *The Good Years: From 1900 to The First World War* (New York: Harper & Brothers, 1960), pp. 256-271. "/Roosevelt/ had an especially good time at King George's reception. . .The royal guests happily fawned on the famous American, asking his opinion on their various problems. Roosevelt was delighted to oblige. To one: 'Oh, I would never have taken that step at all, if I had been in your place, Your Majesty!' To another: 'That is just what I would have done; quite right!' " (p. 261).

however, there occurred a distinct change for the worse. If the German Kaiser could say to Theodore Roosevelt as late as 1911, "I ADORE England"[31] and be believed, it becomes clear that there was something highly ambivalent in the German attitude towards Great Britain.

The subject of national neuroses can prove to be dangerous ground when touched upon by an amateur, but it is fairly evident that the historical ties between the two countries, the German bourgeois attempt to ape the British, the desire to emulate the English gentleman as well as the Prussian Junker--each conspiring to frustrate the other, eventually led to a near schizophrenic condition in Germany. While each ideal had qualities that the other could respect, the conviction of each that it embodied a materially higher proportion of truth impeded mutual comprehension. Britain's achievement in the mid-nineteenth century was so spectacular as to foster a belief that solutions to most social and political problems had been found, not for a particular age or area, but for good and all. The tendancy to talk as though God had taken out English nationality, and to treat everyone else as 'lesser breeds without the law', aroused as much resentment as emulation in frustrated Germany. William once wrote bitterly of "the same old arrogance, the same old overestimation".[32]

Sensing that history had conspired to deprive them of the

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[31] Quoted in Balfour, op. cit., p. 84.

[32] Marginal note by the Kaiser. Die Grosse Politik, XII (1 May 1897), No. 3228.

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gifts which she had so liberally endowed Great Britain, Germans now resented what they felt to be the role for which England had cast them. For the British, not daring to contemplate even the slightest change in the world order (their order) for fear of bringing their empire down in ruins, could never give Germany due credit for what her sons and daughters had wrought. The Germans, striving so frantically to gain British approval and acceptance, ultimately then, faced a monolithic world structure that could not afford to acknowledge the 'miracle' of the German Empire.

Faced with such openly casual, if not contemptuous, dismissal, it is hardly to be wondered that the continent's great Power responded to grudging British gestures of friendship with something less than enthusiasm. German (and British) minds might well ponder the following:

> For 20 years or more you have been pitying or vilifying my military 'disease'. You have upbraided me as a pauper, or as one hurrying on to the cataclysm of inevitable bankruptcy. You have vainly implored me to see the errors or my ways; to disarm and come and taste the untold blessings of trade. And now that I have studied your methods and become a trader just to please you, you are still dissatisfied. What would be your frame of mind, I wonder, if, freed from the crushing incubus of a standing army, I had become wealthy, and thus a doubly redoubtable competitor.[33]

The dissatisfaction experienced by the Germans found no outlet other than in England-baiting. It is difficult to resist the conclusion that many times the harsh anti-English statements

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[33] At least one Englishman was sensitive enough to realize the ambiguities of the British position towards Germany. Sidney Whitman, "England and Germany", Harper's New Monthly Magazine, XCVI (1897), p. 780.

of both Kaiser and Press were only agonized yelps for attention[34]--a demand that the British acknowledge the German presence and all it implied. Such an impression is confirmed by a first-hand report of an Englishwoman:

> The Kaiser often criticized England; he always did so impatiently or petulantly as one does when criticizing relations whom one sincerely likes and admires but who, one feels, are at times lacking in understanding or appreciation. That was the real grievance. The Kaiser

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[34] Such a suggestion can perhaps best be illustrated by the Moroccan crisis of 1911. Moon, op. cit., quotes Kinderlen as telling the French: "You have bought your liberty in Morocco from Spain, England and even from Italy, and you have left us out." (p. 212) Since Germany, as well as Great Britain, had signed the Algeciras Agreement of 1906, Lloyd George's following Mansion House speech, where he spoke of Germany acting as if England "were of no account in the Cabinet of Nations", could apply equally as well to the Anglo-French treatment of Germany. Germany's demands for 'compensations' in 1911 were so general as to almost force the conclusion that she merely desired that her presence as a world power be recognized. And that it was this very demand that the French and English felt so reluctant to concede to is seen in the following. In his article "The Anglo-German Tension and A Solution", op. cit., F.E. Chadwick cites a statement from E.D. Morel's Morocco In Diplomacy: "It was surely infantile to imagine that Germany was any more likely in 1911 than she was in 1904-05 to agree to France securing Morocco without positive guarantees as to the open door, and without paying her beill of compensation even as France had found it necessary to pay the British, Spanish and Italian bills. To Britain, relief in Egypt; to Spain almost the entire northern and part of the Atlantic coasts of Morocco, with a goodly slice of hinterland thrown in; to Italy, a free hand in Tripoli; to Germany--nothing. The pact of Algeciras to which Germany and ourselves were signatories and in which Germany had a peculiar interest was torn up and thrown to the winds." Chadwick, himself, continues by saying on page 607: "The destruction of the Algeciras agreement by France was wholly ignored and England was ready apparently to plunge Europe into a great war to uphold the action of the Power which had overturned the agreement to which both England herself and Germany were parties." In the December, 1911, issue of the Review of Reviews, W.T. Stead wrote: "The fact remains that in order to put France in possession of Morocco, we all but went to war with Germany. . .The secret, the open secret, of this almost incredible crime against treaty faith, British interests and the peace of the world, is the unfortunate fact that Sir Edward Grey has been dominated by men in the Foreign Office who believe all considerations must be subordinated to the

> felt that he was never properly understood or appreciated by Queen Victoria, King Edward, King George or the British people. Feeling his own sincerity and believing in himself, he sought to force his personality on us. As an actor of ability in a favorite part will sometimes endeavour to win, by overacting, the applause and admiration of an audience which he has failed to win by charm and subtlety so the Kaiser tried to dominate British public opinion by acts which antagonized or--worse still--merely bored or amused us.[35]

That this insight into the character of both the Kaiser and the German people was not a monopoly of sympathetic English ladies can be seen in the following by von Tirpitz:

> We threw ourselves into the arms of others and then offended them, and we scarcely neglected an opportunity of representing to them how wonderfully well we had got on. We never saw ourselves from other people's point of view. Admiral Seymour, who was presented by the Emperor with the picture "The Germans to the Front", said, 'You Germans have come on very much; if only you would not always be ramming it down our throats'. We blew trumpets which were not in keeping with our position. Then all real or intended mistakes and injuries were magnified in an inflammatory manner and dragged into the open, and in this way our democratic press gave foreign countries apparent proof that Prussian Germany was a house of correction.[36]

That Europe was in a state of hypertension after 1900 cannot be argued. How much of this excitability resulted from real difficulties and problems can be questioned but no definitive answer is yet available. In England, the masses were swayed by vague, indefinable

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one supreme duty of thwarting Germany at every turn, even if [everything else] is trampled underfoot. I speak of that which I know." Cited in Nock, op. cit., p. 54.

[35] Pless, Daisy of, Daisy Princess of Pless (New York: Dutton and Co., Inc., 1929), p. 263.

[36] von Tirpitz, op. cit., p. 250.

emotions.

> . . .the public? The public was only aware of an inner tension, a need for stimulants; and what could be more exciting than to gather all the political rages, all the class hatreds, all the fevers for spending and excitement and speed, which then seemed to hang like a haunted fog over England--to gather them and condense them into one huge shape and call it Germany? Thus agreeably hagridden, thus desperately and delightfully alarmed, the people of England could perhaps forget the domestic crises which advanced upon them hour by hour. Germany was about as real to them as Japan is real today to the Eastern seaboard of the United States: a threat--certainly; a menace--beyond a doubt. But so is plague still a menace, and the second coming, and communism, and death.[37]

It is often argued that the German Government's manipulation of the German press created an intendedly biased impression of England in Germany. It certainly is true that the Imperial Government had resources and means with which to ensure its views being widely broadcast to the public not directly available to the members of His Majesty's Government. By self-admission, however, the British press comes off hardly any more favorably in terms of bias. The Tory press openly rejoiced over the new Teutophobe policy which had come in with the reign of Edward VII in 1901. ". . .this new departure which we should never forget would have been impossible without the sagacious initiation of the British Sovereign."[38]

In an interview with the Matin, Lord Northcliffe, the great magnate of the British news world, the pioneer of the popular

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[37] George Dangerfield, The Strange Death of Liberal England 1910-1914 (New York: Capricorn Books, 1961), p. 119.

[38] National Review, October, 1904. Cited in J.A. Farrer, England Under Edward VII (London: George Allen and Unwin, Ltd., 1922), p. 86.

press, the proprietor of the Daily Mail, Daily Mirror, Daily Graphic, Daily Express, Evening News, Weekly Dispatch and, from 1908, The Times, declared:

> Yes, we detest the Germans cordially. They make themselves odious to the whole of Europe. I will not allow my paper. . .to publish anything which might in any way hurt the feelings of the French, but I would not like to print anything which might be agreeable to the Germans.[39]

That such was not only the general policy directed from above, which might or might not filter down to the printed word, but the guiding principle of journalists and commentators, was assured by the care taken in appointing the 'correct' correspondents to the 'correct' fields:

> If Berlin threatened to be henceforth the most dangerous of all storm centres it was important that The Times should have a correspondent there who would know how to read the storm signals. . .George Saunders. . .like me. . .was beginning to doubt whether William II was as anxious as we were to ensue peace. He shared entirely my view that it was the duty of the Berlin correspondent of The Times to watch and report accurately such indications of the real trend and purpose of German policy as were more frequently disclosed in the activities of the Press Bureau than in the public utterances of the Emperor.[40]

Rarely in England did a member of 'the masses' read The Times. But he certainly read one or more of the more 'popular' papers which Lord Northcliffe controlled or owned. And there is no cause to believe that the prejudices of the Daily Mirror or Evening News were any different than those of The Times.

In 1914 the English 'masses' cannot be accused of wanting

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[39] Ibid., p. 148.

[40] Sir Valentine Chirol, Fifty Years in a Changing World (London: Jonathan Cape, 1927), p. 282. Chirol had been The Times correspondent in Berlin from 1892-97. When he returned to London to become Foreign Editor in 1897 he was replaced in Berlin by Mr. Saunders.

war. But that the news media had done its job thoroughly was obvious by the rapid rise of anti-German passions. In Germany, as the 'invasion' panics so clearly demonstrated, where entire towns ran and hid because 'Fisher was coming', the general pre-War state of mind was infinitely worse. The increasing sense of deprivation, of England's denial of Germany's rightful place in the world, created a self-conscious, self-centered excitability in the land, which turned and twisted things into grievances and magnified possible dangers till they constituted mental terrors.

For it was one of Germany's delusions that Britain had "willed and planned the appropriation of one-fifth of the globe".[41] Impossible for methodical but humiliated Germans to accept the proposition that England had reached her position by simply following her luck in the hit-or-miss fashion Anglophiles had long regarded as the height of political wisdom. It was obvious to every German after 1900 that England had, characteristically, done her utmost to reduce whatever credit was due to the German nation. In England, on the other hand, it was never fully appreciated that Germans <u>really believed</u> they were being hemmed in and isolated and that they were, consequently, in an extreme state of nervous tension. Traditionally hostile to the idea of long-term or even clearly defined commitments, the British Foreign Office by convention, and Lord Grey by inclination, felt unable to give the guarantees demanded by the Germans as the price of

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[41] Playne, <u>op. cit.</u>, p. 111.

alliance and friendship. In an era of increasing political tension, Anglo-German relations reached a stalemate. But if we refer once again to much of the material cited throughout this paper, it becomes clear that even before the naval and political questions became of prime importance, a surprising amount of hostility and suspicion existed in England towards Germany. Long before it could reasonably be argued that Germany posed a political threat to Great Britain, in 1896, the Kaiser dispatched his sensational Kruger telegram. This produced such an immediate and appalling out-burst of anti-German sentiment, ". . .the popular dislike of the Kaiser in England, which was destined to grow till it reached the proportion of one of the most remarkable phobias of the mass-mind in any age. . ."[42] that we must seek some non-political cause for this near-hysteria. The argument presented here is that the explanation lies in the commercial rivalry which even by 1896 had developed into serious proportions. About the turn of the century a Frenchman wrote the following:

> Truthful or exaggerated, these consular reports [praising German and expressing pessimistism about British trade] have undoubtedly exercised a great influence over English opinion. Published by the Government at popular prices, supplied to all chambers of commerce and public libraries, analyzed in the once monthly, now weekly Journal of the Board of Trade, reproduced in the daily newspapers, summed up in the publications of the chambers of commerce and in

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[42] Ibid., p. 107. And this was somewhat strange considering the fact that however crude some Germans were in their attitude, the Dutch and the French were to far outdo, in invective, insult and injury, the Germans in their coverage of the following Boer War. For evidence of both these points see, especially, the section "Our Note Book" by L.F. Austin in the London Illustrated News for 1900-1902.

> the weekly magazines, compared and commented upon in the grand reviews by means of articles with alarming titles, e.g., "How we are beaten", "The Decline of our Commerce", "Foreign Competition", amplified in pamphlets, the success of which has ever been on the increase--such, for instance, as the celebrated Made in Germany, E.G. Williams--these reports have become perhaps the leading factor in English politics in the course of the last ten years.[43]

From 1890 onwards certain individuals or groups of individuals understood that Germany was about to beat England at her own game--world commerce. Germany had forged technological foundations for both political and commercial power and the only response of the English as a nation was to regard ". . .with increasing dislike and anxiety, as a somewhat uncivilized parvenu in the comity of nations"[44] this new highly industrialized society. But the British, as every people, would, ultimately, fight in order to eat and, as every German feared, "England more than any country in Europe is capable of going to war without counting the cost or measuring the forces opposed to her".[45]

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[43] Bérard, op. cit., p. 71

[44] The Round Table, Germany and the Prussian Spirit (London: Macmillan and Company, Ltd., 1914), p. 5.

[45] Cecil Battine, "Dutch and Belgium Independence", Nineteenth Century, LXVII (1910), pp. 672-673.

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