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bounties, special rates could be abolished. Though the attempt to dominate the world commercially has not succeeded, one cannot but wonder at the solid tenacity of purpose which has directed the growth of German industry. It is a miracle of self-repression; a lesson which must not be lost upon the world.

S. W. RAWSON

The Ruling Caste and Frenzied Trade in Germany. By MAURICE MILLIoud, Professor of Sociology in the University of Lausanne. With an Introduction (pp. 13) by the Rt. Hon. Sir Frederick Pollock, Bart. Pp. xx+159. (Constable and Co., 1916.)

THIS little volume, which is a translation, is divided into two parts, the respective subject-matters of which are fairly well indicated by the title. The first part is an analysis of the nature and characteristics of the "ruling class" in Germany, which consists "in part of an aristocracy of birth and in part of middle-class capitalists more or less recently ennobled." Professor Millioud examines its composition, the chief articles in the code embodying its ambition and the reasons for its power over the masses, in an essay marked by insight, learning, and freedom from prejudice, and written with pleasing vivacity. His point of view is that of a neutral who, though appreciating the good qualities of the German people, would regard the success of the German Empire in the war with dismay as a disaster for the Swiss Republic and for the cause of human freedom. After remarking that, even if it be true that commercial competition is a species of war, most people consider that rivalry in trade should not produce conflicts between nations, he goes on to say that the Germans had looked on war as "a final economic operation, destined to perfect and bring all their plans to ultimate fruition."

Professor Millioud does not mean that the ruling class or classes of Germany intended to have a war whatever happened. He means that they were resolved to fight if their political and economic plans for improving the position of Germany were interfered with by other countries to an extent endangering their success. The great German bankers, commercial men, and manufacturers must have been very unwilling, on general grounds, to court such an injury to the prosperity of Germany as even a successful war would be. As regards the nation as a whole, the "wholesale assimilation of a people numbering seventy million souls by an aristocratic, almost feudal, ruling class at once pluto-

cratic and militarist" is, as he says, an extraordinary phenomenon.

In Part II. Professor Millioud discusses "Germany's Aims at Conquest by Trade and by War." He refers briefly to several explanations of the action of the Germans, including the very poor one which they put forward themselves, that "a plot" against them having been hatched by Russia, they were taken by surprise and "struck first in self-defence." Signor Giolitti's revelations dispose of this absurd plea. Professor Millioud does not believe in the theory widely accepted in England and many other countries that Germany and Austria were debauched by studying Nietzsche, or Clausewitz, or by the Pan-German propaganda, or that they were driven by a "political necessity" which, it is suggested by some friends of Germany, compelled her to free herself from being "strangled" by alliances and *ententes*. His own opinion is that the chief consideration which made the rulers of Germany determine to fight in 1914 was an economic one. He believes that the German bankers, merchants, and manufacturers knew that, after many years of prosperity, they had got into a very dangerous position owing to (1) the hostility provoked in all countries by their tariff; (2) the certainty that in 1915, when the commercial treaties with Russia and other Protectionist States came up for renewal, they would all be revised in a sense unfavourable, in the Protectionist sense, to Germany; (3) the fact that they had expanded their productive plant to such an extent that, unless they secured more and more new markets, they would have either to reduce their output, thus rendering part of their fixed capital idle, or to lower prices at home, and in either case diminish their profits greatly; (4) the fact that, after the Morocco crisis in 1911, when the threat of the "mailed fist," for the first time, failed, the Berlin money market was deprived of the financial support of Paris on which it had been largely dependent. He argues seriously, and makes a very good case for his view, that Germany's "manufacturers, financiers, and statesmen had dragged her so deeply and by such methods into a war of economic conquest that she could not withdraw. The methods employed were now working against her. Without having entirely mis-carried, victory was clearly beyond her grasp. Must she wait the inevitable crash, the downfall of her credit, the misery which must overwhelm her people, and the fury which would perhaps possess them in consequence?" These considerations, he maintains, induced the governing class generally to regard a victorious war, by which fresh territory might be secured and a big indemnity might be won, as the only way of escape from an *impasse*.

Professor Millioud believes that the Kaiser originally "aimed at conquest, but in the guise of peaceful penetration." His design was to develop fully the riches of Germany, a task well begun under his grandfather, and further to encourage his people to obtain control of the markets of the whole world. Under his influence, and with abundant backing from the Imperial Government, the German leaders of finance, trade, and industry "set themselves systematically, and hugely, to exceed the requirements of the home market." The most powerful aid they received from the State was the tariff; but the Colonial policy, undertaken largely in order to secure control of raw materials, was an important part of the plan. As regards the methods adopted by the Germans in what Professor Millioud calls "trade warfare," he attaches great importance to the stimulation of the nationalism of Germans who have emigrated; such emigrants do not now, as they did formerly, become closely assimilated with the population of the country of their adoption, even in the United States. That this policy of "infiltration," of permeating foreign countries with a German element composed of Germans holding positions of all kinds, has been carried very far, we all know. Switzerland has been persistently subjected to this process, and the more easily because the economic relations of Swiss bankers and manufacturers with their powerful neighbours were naturally close. They were made still closer through the acquisition by the great German banks and manufacturers of interests, not always openly avowed, in various Swiss enterprises. Professor Millioud gives a number of instances of the insidious growth of German influence and control in his own and other countries by these methods, by "dumping," and by granting long credits. He also refers to the support, both secret and open, which German merchants, manufacturers, loanmongers, and concession-hunters receive from the Imperial Government. All this artificial stimulation of German foreign trade and of the German economic organism generally was certain to end, for Germany, in a crisis of far greater dimensions than the normal cyclic crises to which all actively-trading countries are liable. Such a crisis was "due" in Germany in 1914. Whether Professor Millioud is right in thinking that the big bankers and manufacturers actually advocated war in order to get out of this dangerous position may be questioned. It is more likely that they were reluctantly induced to accept it by assurances from the Imperial Government and the Great General Staff that victory, and an indemnity, were certain.

WYNNARD HOOPER