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The Iron Circle by S. Herzog; M. L. Turrentine

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Journal of the Royal Statistical Society, Vol. 82, No. 1 (Jan., 1919), pp. 93-96

Published by: [Wiley](#) for the [Royal Statistical Society](#)

Stable URL: <http://www.jstor.org/stable/2340741>

Accessed: 25/06/2014 04:45

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health insurance should be universal but not compulsory—a condition very desirable, but not easily obtainable. With regard to the medical service, Dr. Robinson strongly criticized the English system. The system of group insurance (referred to by Mr. Geoffrey Marks in his recent presidential address to the Institute of Actuaries) was described and strongly commended.

Old age pensions, under existing methods, are the creation of individual establishments. After discussion of several of these, proposals for compulsory invalidity and old age insurance pensions and retirement allowances were considered. Our non-contributory system was criticised, and it was argued that its application to the requirements of the United States would cost 114 million pounds sterling per annum. On the other hand, the difficulties of a contributory system were urged.

The chairman of the meeting which discussed maternity benefits and mothers' pensions said truly that such a conference could not have been held a quarter of a century ago, and that it marked real progress in the consideration of social reforms. Experiences in the administration of mothers' pensions were stated under the New Jersey Act of 1913, the New York Act of 1915 and the Illinois Act of 1911.

The British National System of Unemployment Insurance was a special subject of discussion. It was commended by Mr. Bruno Lasker and by Miss Olga S. Halsey. The Massachusetts system of Savings Bank Life Assurance was described. It has been adopted by four of the savings banks in that State, which contributes \$20,000 to the support of the movement.

Though subsequent events in the United States and in Europe will call for the reconsideration of many economic questions, the collection of so comprehensive a body of expert opinion on matters of general interest will continue to be of great value. The Conference wisely refrained from formulating any definite resolutions, its function being that of discussion only. E.B.

8.—*The Iron Circle*. By S. Herzog. Translated by M. L. Turrentine. 280 pp., small 8vo. London: Hodder and Stoughton, 1918. Price 6s. net.

This frank ugly "plan to dominate the trade of the world" was drawn up in 1915 for "home consumption" by an "eminent German engineer and economist." It has been published, for the warning of its intended victims, by the United States Food Administration. The scheme is ingeniously devised, and the publishers are not, we think, mistaken when they describe Mr. Herzog as the "Trade Bernhardi." We may also hope, perhaps, that that writer's prophesied alternative of "world conquest or downfall" for his country, as the result of the "next war," may find fulfilment in her economic destiny parallel to the fate which has already, it would seem irrevocably, befallen her on the battlefield. The beliefs avowed and the practices recommended by the two authors are not dissimilar,

and they reflect alike the extravagant fondness for grandiose theory laboriously developed, the amazing self-conceit shown in the confident assertion of their complete superiority to other nations, and the strange perverse misunderstanding of the temper and foolish depreciation of the capacities of possible, or probable, competitors or foes.

The plan of business operations to be followed subsequently to the war by German traders is methodically presented here in successive chapters. Their mere headings are instructive. "The grand strategy of the German offensive," "forging the thunder-bolt," "the organisation of the German export army" and "the export army in action" serve to indicate in its aggressiveness the tendency of Germans to conceive of trade as analogous to war, to be won or lost by dexterous or inept tactics and strategy. Others, like the "camouflage of commerce," the "Chinese wall of secrecy," "diplomacy, the advance guard of the export army," and the "denationalisation dodge, an antidote to hatred," similarly illustrate an ingrained instinct to employ in business, as in military and naval conflict, all kinds of arms and various devices, new and old, illegitimate as well as lawful, cruelly barbarous no less than astutely civilised, to advance their aims; and with chicanery and duplicity they subordinated throughout the means to the end. "The discipline of labour," "a feudal system of commerce," "the hereditary workmen of combined industries" and the "curb on capital," as descriptions of remaining sections, confirm the analogy suggested, and are used to demonstrate the justified confidence of our author that masters and men in the "Fatherland" could be ordered according to the wishes or the whims of the government, and were sternly drilled to obey without demur their civil authorities, and, above all, their military officers. An introduction explaining the probable situation of German export trade after the war when it will be, it appears, exposed to the hatred, tacit or avowed, of a world of foes, is followed by discussion, under the titles mentioned, of the various factors, foreign or domestic, which will influence or control exports. They are ten in number and comprise the "adaptability," which should be increased, of export trade, the "attitude," which must be moulded, of "foreign countries," and "emigration," which needs severe restraint, of "domestic industries." "Economic compensations," "State protection," "industrial protective unions," "commercial treaties," "ways of denationalising German goods," the development of "competitive ability" and the proper growth and use of "capital," would also be invoked in their fitting sphere and in suitable degree.

Mr. Herzog regards hostility on the part of other nations towards German goods as likely or certain, and he holds that this grave impediment should be met by the open exertion of brute force or the deft use of plausible deceit. It must be overthrown and destroyed, or German traders must be able to pass round it. By what means can this necessary work, he asks, be done? His answer

is that some articles, which Germany alone can furnish, or control, or provide in the shape and at the cost desired, will still be "indispensable" to the foreigner; and by foul, if not fair, means such need should be employed to ensure the entry and preserve the dominance, as before, of German trade. By circuitous, if not by straight, paths the desired goal can be reached. At home some trades may be helped in various ways, while others must be asked, and will be expected, to submit to suitable restraint, or to suffer disability or loss, through such means as an embargo or the like, receiving in due time compensation, it may be, from funds centrally administered and fed by sufficient contributions equitably raised. If the enemy's submission cannot be secured by treaty regulation or by the infliction of other acknowledged disadvantage, the baffling falsification of trade marks or the disguising intervention of friendly neutrals should be invoked to deceive him and make him buy, willy or nilly, German commodities as of yore. German employers and employed, under strict official orders, with the aid of State protection or of systematic dumping, will thus effect a breach in the "iron circle" that threatens to surround them and exclude their export industry from privilege or opportunities once enjoyed.

Such is the monstrous theme congenially developed along the lines which we have sketched, and editorial notes prefixed to each chapter, "summarising the contents and noting the interesting "points," help us to "visualise, and more fully realise, the significance "of the text," written, as that is, "in the true Teutonic style." The book is, indeed, essentially Teutonic, in spirit as well as form. It reflects what Mr. Hoover and his American colleagues rightly term the "insolent disregard of the rights of others," and the facile unabashed "resort to deception," which have been typical of Prussia and of Prussians since the days when Frederick the Great ruled them successfully. The "entire conception" depends on fraud, and it hinges on "super-selfishness." It is, indeed, "commercial rapine" which is contemplated. Yet the "world conquest" plotted for two generations past by Germany was similarly conceived in "terms "unknown or little understood" by other countries; and "well-organised," "systematic espionage," with "insidious propaganda," had been a feature of her trading acts and of her "peaceful penetration" before the war. The war itself, conducted in no different a mood of callous, determined ruthlessness, had, it is believed with reason, commercial motives at its back, mingled with other influences; and the supremacy of the State, with the subservience of the masses to the ruling classes, was carried into industry and trade as well as into general politics. To be forewarned, however, is, we may hope, to be forearmed; and this last menacing project, "carefully thought out," openly "breaking with all business ethics," and promising to "stop at nothing," from "national dumping" to "false labels" and "breach of contracts," which appeared in 1915, has, through the useful offices of the United States Food Administration, been now made known to the manufacturers and bankers,

the professional men and the labouring classes whom it threatened to assail and overcome. Let them then take heed in time. Let them not be caught unprepared, as their countries were by war. Such is the moral which the editors enjoin.

The position to-day, no doubt, differs somewhat from that of 1915, but the admonition may still be opportune. The confident belief of the author that Germany, victorious in war, could impose her own terms for the supply of necessary raw materials to herself, or for the enforced receipt by her enemies of her manufactured goods, by clauses in commercial treaties, is no longer tenable; for the arbitrament of battle has gone decidedly against her. Through the compulsory surrender of territory, which now seems certain, she may even lose effective or monopolised control of such "indispensible" goods as the potash which he mentions. But the guile and fraud hinted by him as means to circumvent the unwillingness of foes, defeated or triumphant, to buy obnoxious articles may still be practised; and the unwearying industry and elaborate pains, which have notoriously been characteristics of a servile and much-governed people, may not depart when they are rid of their autocratic rulers and of tyrannical military discipline. They may remain formidable traders when they have ceased to be invincible soldiers. This forcible, if unpleasant, book should therefore be properly treated, not simply as the ugly exhibition of a passing negligible policy, but as a plain signal of serious abiding danger that demands quick and full attention.

L.L.P.

9.—*Russia: Its Trade and Commerce*. Edited by Arthur Raffalovich. x+461 pp., 8vo. London: P. S. King and Son, Ltd., 1918. Price 12s. 6d. net.

Problems Confronting Russia. By Baron A. Heyking. xvi + 219 pp., 8vo. London: P. S. King and Son, Ltd., 1918. Price 10s. 6d. net.

These two volumes, by distinguished Russian authorities well-known in this country, have a common purpose—that of helping to dispel the still widespread British ignorance as to the character, organisation and resources of the vast area and varied peoples which constituted the Russian Empire. But with this common purpose they differ in character. The volume edited by M. Raffalovich is avowedly a compilation intended to give "a reliable description of "Russia, its agriculture, forests and mines," and a concise description of "the Russian organisation of credit, monetary system and "financial administration." The work of the former Russian Consul-General in London, though it contains a lengthy chapter on the economic resources of Russia and Anglo-Russian trade relations (extracted from a Paper read before the Royal Statistical Society in January, 1917) is otherwise a collection of essays and articles reprinted from a number of publications and intended to form as a whole "an appreciation of the evolution of Russia," an interpretation of the Russian character in its various manifestations, and a