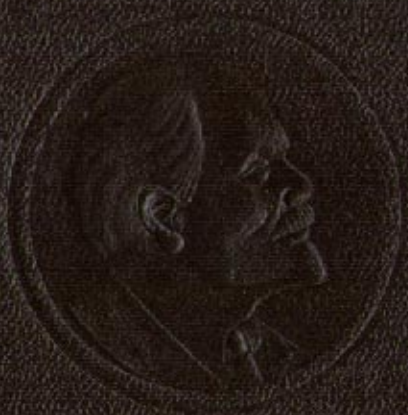

LENIN

WORKERS OF ALL COUNTRIES, UNITE!

LENIN

COLLECTED WORKS

39

V. I. LENIN

1917

THE RUSSIAN EDITION WAS PRINTED
IN ACCORDANCE WITH A DECISION
OF THE NINTH CONGRESS OF THE R.C.P.(B.)
AND THE SECOND CONGRESS OF SOVIETS
OF THE U.S.S.R.

ИНСТИТУТ МАРКСИЗМА—ЛЕНИНИЗМА при ЦК КНСС

В. И. ЛЕНИН

СОЧИНЕНИЯ

Издание четвертое

ГОСУДАРСТВЕННОЕ ИЗДАТЕЛЬСТВО
ПОЛИТИЧЕСКОЙ ЛИТЕРАТУРЫ
МОСКВА

V. I. LENIN

COLLECTED WORKS

VOLUME
39

Notebooks on Imperialism

PROGRESS PUBLISHERS
MOSCOW

TRANSLATED FROM THE RUSSIAN
BY CLEMENS DUTT
EDITED BY M. S. LEVIN

First printing 1968
Second printing 1974

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ILLUSTRATIONS

PREFACE

Volume 39 of the *Collected Works* contains Lenin's *Notebooks on Imperialism*, the materials he gathered for his classic *Imperialism, the Highest Stage of Capitalism*, written in the first half of 1916. In it, Lenin for the first time gives a profound and comprehensive analysis of the highest stage of capitalism, the inception of which dates to the turn of the century. He shows that imperialism is a development and continuation of the chief characteristics of capitalism, that its economic basis, its very substance, is the dominance of monopoly, that imperialism is the last stage of capitalism. Lenin conclusively proved that, in contrast to the pre-monopoly stage, when capitalism was still on the ascent, monopoly capitalism is, parasitic, decaying and moribund capitalism, with all the contradictions of capitalism carried to extreme limits, beyond which begins the socialist revolution.

The historic significance of Lenin's book lies in its economic substantiation of the new theory of socialist revolution. Proceeding from a Marxist analysis of imperialism and the law discovered by him of the uneven economic and political development of capitalist countries, Lenin scientifically proved that in the era of monopoly capitalism the simultaneous victory of the socialist revolution in all or in most civilised countries was impossible, but that it was fully possible, and inevitable, first in several countries, or even in one country. Lenin's theory of the socialist revolution is an immense contribution to Marxism; it equips the working class of all countries with a clear and precise programme of struggle for liberation from imperialism, for the victory of socialism. The great power and vitality of Lenin's theory of the socialist revolution has been confirmed in practice by the experience of the proletarian revolutions in Russia, China and other countries

of Europe and Asia, which now form the world socialist system.

Imperialism, the Highest Stage of Capitalism was the fruit of tremendous and intense labour. Striking evidence of this is the *Notebooks on Imperialism*, the mass of varied preparatory material that went into the writing of the book. Marx, it will be recalled, used a vast amount of factual material in working on *Capital*. Studying capitalism in the new era of history, Lenin also analysed and generalised a vast amount of data on the most diverse problems. He drew his data from hundreds of books, theses, pamphlets, magazine and newspaper articles, and statistical reports. The Notebooks contain extracts from 148 books (106 in German, 23 in French, 17 in English and two translations into Russian), and 232 articles (of which 206 in German, 13 in French and 13 in English) from 49 periodicals (34 German, 7 French and 8 English).

Although the *Notebooks* are not a work in its final form, they are of immense scientific value and represent an important contribution to Marxist political economy. The wealth of material brought together in the *Notebooks* provides a closer picture of monopoly capitalism, and supplements and elucidates the principal theses of *Imperialism, the Highest Stage of Capitalism*.

The great scientific and cognitive value of the *Notebooks* is that they reveal Lenin's method of scientific work, his approach to the material under investigation—economic and historical facts, and statistical data. The *Notebooks* show us the methodology of Lenin's analysis, his research technique. The preliminary materials showing how Lenin drew up the plan for his *Imperialism* will be read with great interest. They trace the full process, from the first rough draft (or subject-outline), with an approximate enumeration of the problems, to the final research plan, with its detailed structure of the book and summarised contents of each chapter (see this volume, pp. 116-17, 196, 201-02, 230-43).

In the *Notebooks* Lenin meticulously traces the emergence and development of the principal features of monopoly capitalism: concentration of production and capital, which has reached such a high leyel as to create monopolies that play a decisive role in economic life; the merging of bank

capital with industrial capital and the rise of a financial oligarchy; the export of capital, which, as distinct from the export of commodities, has acquired exceptional importance; the formation of international monopolist associations of capitalists; the completion of the territorial division of the world by the biggest capitalist powers and their struggle for its redivision; the progressive parasitism and decay of capitalism. Lenin shows that the omnipotence and domination of finance capital and the monopolies is characteristic of imperialism. Reaction in every sphere is its political feature. Lenin reveals, against a massive background of factual material, the profound contradictions of imperialism.

To do this, Lenin draws on all available international literature on economics and technology, modern history, geography, politics, diplomacy, the labour and national liberation movements in the era of monopoly capitalism. No country, no branch of the economy, or of social policy and politics, remain outside his field of vision. He made a close study both of economic and historical monographs on the main development trends in the capitalist countries, and of small magazine and newspaper articles on particular problems. All these numerous and diverse sources are critically assessed and analysed to produce a firm and reliable foundation of facts and figures for a comprehensive substantiation of his theoretical propositions and conclusions about imperialism.

In his study of the monopoly stage of capitalism Lenin used sources reflecting diverse trends in economic science—books by bourgeois and petty-bourgeois economists and statisticians, historians and diplomats, financial experts and parliamentary leaders, reformists and revisionists. But in using these sources, and selectively drawing on their rich factual data, Lenin exposes the bourgeois ideologists and reformist apologists of imperialism and their pseudo-scientific views.

After working through the "half-thousand pages" of Professor Robert Liefmann's *Holding and Financing Companies*, Lenin remarks: "The author is a double-dyed idiot, who makes a great fuss about definitions—very stupid ones—all revolving around the word 'substitution'. His

factual data, however, mostly quite raw, are valuable" (see p. 373 of this volume). Lenin used Liefmann's statistical data, checked against and supplemented from other sources, in his *Imperialism* to illustrate the growing concentration of production and the growing incomes of the top monopolies. Of Schulze-Gaevernitz, the out-and-out apologist of German imperialism, the author of *British Imperialism* from which he made copious notes, Lenin wrote: "Scoundrel of the first order and vulgar to boot, Kantian, pro-religion, chauvinist,—has collected some very interesting facts about British imperialism and has written a lively, readable book. Travelled in Britain and collected a mass of material and observations. You've done a lot of plundering, you British gentlemen; allow us, too, a bit of plundering—with Kant, God, patriotism, and science to 'sanctify' it = such is the sum and substance of the position of this 'savant'!! (Also a lot of needless verbiage)" (ibid., p. 446). Lenin used the factual material in his *Imperialism*.

The *Notebooks* show how, from the welter of material in the numerous sources he used, Lenin selected trustworthy data on fundamental and typical phenomena of monopoly capitalism. "...a host of unnecessary and boring details; I omit them"—he writes about one book (p. 99). About another he remarks that it contains "a most painstaking summary of very rich data ((a mass of basic figures)).... I select the most important" (p. 474). In many cases Lenin compiles his own summaries and tables from scattered data. When studying any book Lenin takes special note of the sources used in it and afterwards examines and checks them.

The *Notebooks* set out detailed factual and statistical data characterising the principal features of the monopoly stage of capitalism. They contain revealing admissions by bourgeois experts of all countries concerning the new developments in the capitalist economy. All these materials, Lenin points out, are necessary "to enable the reader to obtain a more rounded-out idea of imperialism" (present edition, Vol. 22, p. 267).

The *Notebooks* contain important data on monopoly capitalism in Russia. *Imperialism, the Highest Stage of Capitalism* was intended for legal publication and Lenin therefore had to discuss Russian imperialism, and in particular the

tsarist government's predatory policy, "with extreme caution, by hints, in an allegorical language—in that accursed Aesopian language—to which tsarism compelled all revolutionaries to have recourse whenever they took up the pen to write a 'legal' work" (ibid., p. 187). The *Notebooks* were not trammelled by censorship and in them Lenin cites, appraises and comments on numerous facts relating to various aspects of Russian imperialism. This is a very valuable supplement to his remarks about Russia in *Imperialism*.

In analysing the highest stage of capitalism, both in the *Notebooks* and in *Imperialism*, Lenin uses mostly factual data and statistics of the period preceding the First World War: More recent and present-day data on the capitalist economy fully confirm Lenin's analysis of imperialism, its principal features and development trends, and convincingly demonstrate the growth of monopoly dominance and oppression, the progressing parasitism and decay of capitalism, the accentuation and deepening of its contradictions.

The *Notebooks* are a brilliant example of partisanship in science, a basic feature being their militant, attacking approach to bourgeois and petty-bourgeois ideologists, reformists and revisionists. Lenin makes a point of exposing Kautskyism; he sharply criticises the lackeys of imperialism parading as Marxists. The Kautskyites glossed over the contradictions of imperialism, sought to whitewash capitalism, and were "*in favour of* a cleanish, sleek, moderate and genteel capitalism" (see p. 116 of this volume). Lenin shows that "finance capital does not abolish the lower (less developed, backward) forms of capitalism, but grows out of them, above them", and that "finance capital (monopolies, banks, oligarchy, buying up, etc.) is not an accidental excrescence on capitalism, but its ineradicable continuation and product" (p. 196).

Lenin's scientific analysis of imperialism, confirmed by the reality of contemporary capitalism, fully exposed the fallacious and reactionary Kautskyite theory of ultra-imperialism. The *Notebooks* show that the opportunists and revisionists, instead of fighting to overthrow imperialism, strive for reconciliation with capital; they distort the essential character of imperialism as the highest and last stage of capitalist development, as the period of the decline of

world capitalism. "The struggle against imperialism without breaking with and combating opportunism is deception," Lenin wrote in an outline plan for his *Imperialism, the Highest Stage of Capitalism* (p. 241).

In our day, too, the *Notebooks* are a potent weapon of revolutionary Marxism. They help the Communist and Workers' Parties combat the ideology of imperialist reaction and all manifestations of modern reformism and revisionism. In this era of transition from capitalism to socialism, when the socialist system is successfully competing with the obsolescent capitalist system, the defenders of the old order exert every effort to embellish capitalism, divert the masses from active struggle for socialism, and infect them with reformist ideas of collaboration with capital. The imperialists encourage every manner of theory and plan for "reconstructing" and reforming capitalist society. Their aim is to perpetuate it under the guise of "people's capitalism" or "democratic socialism". And in this they are aided by the modern revisionists, who repeat the bankrupt ideas of Kautskyism and try to excise the revolutionary soul of Marxism. Declaring that Marxism-Leninism is "obsolete", they oppose the socialist revolution and the dictatorship of the proletariat. Distorting reality, they maintain that modern capitalism has undergone a radical change—the proletariat, they allege, is no longer an oppressed and exploited class, and the capitalists have become working people. The antagonism between labour and capital, the struggle between the proletariat and the bourgeoisie, we are told, have been replaced by peace and co-operation, and capitalist society is on the way to prosperity and "universal well-being". For revolutionary Marxists the *Notebooks* are a guide and model of scientific criticism and exposure of these latter-day theories about the conversion of imperialism into "people's capitalism" and its peaceful evolution into socialism.

The plans and outlines of some of Lenin's articles and lectures during the First World War, included in this volume, complement the material of the *Notebooks* and are of especial value for an understanding of Lenin's theory of imperialism and socialist revolution. In the Preface to the first edition of his *Imperialism, the Highest Stage of Capitalism* (dated April 26, 1917), Lenin refers the reader

to his articles of 1914-17, published outside Russia. Appearing in the uncensored Party press, they substantiate and develop the propositions that imperialism is the eve of the socialist revolution, that social-chauvinism (socialism in words, chauvinism in deeds) is a complete betrayal of socialism and defection to the bourgeoisie, that the split in the labour movement is inseparably connected with the objective conditions created by imperialism, etc.

The present volume includes Lenin's twenty notebooks on imperialism together with miscellaneous notes written between 1912 and 1916. They were first published in 1933-38 in L*enin Miscellanies XXII*, *XXVII*, *XXVIII*, *XXIX*, *XXX*, *XXXI*. Notebook "δ" ("Delta"), which was discovered later, was first published in 1938 in the magazine *Proletarskaya Revolutsia* No. 9, pp. 171-84. All the *Notebooks* were put out in a separate volume in 1939.

The first fifteen notebooks, numbered by the letters of the Greek alphabet, are here given in the order followed by Lenin. He used them in the plan for his book on imperialism, as indicated in Notebook "γ" ("Gamma") (pp. 230-43 of this volume. Lenin's references to the pages of the *Notebooks* are followed by the corresponding pages of this volume, given in square brackets). The material of these fifteen notebooks was extensively used in the writing of *Imperialism, the Highest Stage of Capitalism*. The other five notebooks were not numbered by Lenin and are here published after the numbered ones in chronological order. In addition to the notebooks, the present volume contains miscellaneous notes made by Lenin in 1912-16. Directly connected with the *Notebooks*, they continue Lenin's elaboration of the theory of imperialism. They were published in *Lenin Miscellany XXIX* and, partly, *XXX*.

Compared with the preceding 1939 edition of the *Notebooks*, the section "Miscellaneous Notes, 1912-16" has in this volume been supplemented by the following items: 1) E. Corradini, *Italian Nationalism*; 2) Nitti, *Foreign Capital in Italy*; 3) R. Liefmann, "Does the War Bring Socialism Nearer?"; 4) *Conrad's Jahrbücher*, 1915, No. 2, August; 5) *Papers of the Society for Social Policy*; 6) "Social-Imperialism and Left Radicalism"; 7) E. Rappard, *Towards National Agreement*; 8) A Good Summary of Comparative

Figures; 9) A. B. Hart, *The Monroe Doctrine*; 10) Eug. Philippovich, *Monopolies*. Several items have not been included in this edition as having no direct relation to the subject.

Lenin made all extracts in the language of the original. With the exception of the notebooks "κ" ("Kappa"), "Brailsford", "On Marxism and Imperialism", "Imperialism", and also, in part, the notebooks "ζ" ("Zeta") and "λ" ("Lambda"), which were made by N. K. Krupskaya on his instructions, all excerpts were made by Lenin personally.

All the headings in the *Notebooks* were given by Lenin. Excerpts from books, articles, outlines and source references are given separate headings taken from Lenin's contents table to each notebook, or from the text of the excerpts.

Lenin's arrangement of the material, his marginal notes, underlinings, etc., are fully reproduced in this volume by type variations: a single underlining by *italics*, a double underlining by *s p a c e d i t a l i c s*, three lines by **heavy Roman type**, and four lines by **s p a c e d h e a v y R o m a n t y p e**. A wavy underlining is indicated by ***heavy italics***, if double—by ***s p a c e d h e a v y i t a l i c s***.

The entire text has been rechecked with Lenin's manuscripts and the original sources. Any inaccuracies discovered in the deciphering of the manuscripts, or in checking with the original sources, have been corrected.

All the statistical data have been rechecked and are here given in full accordance with the manuscripts. Apparent inexact figures of totals, differences and percentages, which occur in some cases, have been left unchanged, since they are due to the figures being rounded off by Lenin.

Numerous references to *Imperialism, the Highest Stage of Capitalism* and to other Lenin's works are given in footnotes. This helps to bring out the close connection between the *Notebooks* and *Imperialism* and clearly shows how Lenin used his vast fund of preparatory material in his scientific study of imperialism.

Institute of Marxism-Leninism
of the Central Committee of the C.P.S.U.

NOTEBOOKS ON IMPERIALISM[1]

Written in 1915-16 in Russian,
German, French, English
and other languages

First published in 1933-38 in *Lenin Miscellanies XXII*,
XXVII, *XXVIII*, *XXIX*, *XXX*, *XXXI*,
Notebook "δ" was first published
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in 1938 in the magazine
Proletarskaya Revolutsia No. 9

Published according
to the manuscripts

NOTEBOOK "α"
("ALPHA")

Contents

Notebook α. Pp. 1-48.

Recent economic literature

Contents

* Pages of Lenin's notebook.—*Ed*.

23-28. *Kestner, Compulsory Organisation.*
29. Vienna *Arbeiter-Zeitung* on Viennese banks.
30. *The Annals of the American Academy.*
31-35. End of extracts from *Social Economics.*
36. —
37. Source references.
38. *Stillich, Money and Banking.*
+41-42.
39-40. Liefmann, Cartels and Trusts.
43-48. From *Social Economics* ... (*Schulze-Gaevernitz*)
{+1-3 and 31-35}

Source references:

p. 5	p. 21+*32* ‖	p. 44
p. 9	p. *37* ‖ N.B.	p. 46
p. 17+16	p. 38	p. 48

OUTLINE FOR AN ARTICLE ON THE STRUGGLE AGAINST THE "MARSH"

(NOTES ON KAUTSKYISM)[2]

Our Struggle Against the "Marsh"

The Marsh = K. Kautsky, Huysmans, etc.

Significance of the distinction between Plekhanov, Hyndman, Heine and K. Kautsky, Vandervelde, etc. 2 distinctions of "*shades*". Eclectics instead of dialectics. The "middle way": "reconciliation" of extremes, absence of clear, definite, firm conclusions; vacillation.

Conciliation and blunting of class contradictions *in words* and their accentuation *in reality.*

Conciliation with opportunism.

Glossing over the theoretical and practical-political differences with opportunism.

Repudiation (apostasy) of the *Road to Power* position and of the *revolutionary* essence (and revolutionary tactics) of the Basle Manifesto[3]....

The difference between the conceptions "Marxist centre" (=independent policy, independent ideas, independent theory) and "Marsh" (=wavering, lack of principle, "turntable" ("*Drehscheibe*"), weathercock).

Illegal organisation.
Work in the army.
Support for and development of mass action.

Official optimism: the objective course of events ... everything *is bound* to be for the best.

N.B. The "proletariat" and the "class struggle" "in general". "Process".

N.B. cf. Martov on the "hopelessness" of socialism *if*... opportunism is hopeless!!!

Recognition of **revolutionary** activity along the lines indicated above, not **denial** of legal activity and of the *struggle* for **reforms**, should be the essence of the "struggle against the Marsh".

The possibility of a fusion of socialism and syndicalism, should there be a new and deeper division.

Parliamentarism and a different conception of it. "Illegal parliamentarism".

SOURCE REFERENCES

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Erich Kaufmann, *The Foreign and Colonial Power of the United States*, Leipzig, 1908 (in *Studies in State and International Law*, Vol. 1). A *juridical* study. Imperialist policy gave rise to the question of the colonies in America.

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Census of India. (1911. Bombay. 1911.)

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Ed. Dettmann, *The Rise of Brazil. A German View*, 1908,

Hishida, *The International Position of Japan as a Great Potver*. New York, 1905.

Lefèvre, *Railways as a Means of Penetration into South China*. Thesis. Paris, 1902.

Russier, *The Partition of Oceania*. Thesis. Paris, 1905.

RAVESTEIJN ON THE BALKAN PROBLEM

W. van Ravesteijn, "The Balkan Problem", *Die Neue Zeit*, 1913 (31st year, Volume I). November 15, 1912.

N.B. "Such a federation" (of Balkan countries, including Turkey) "would be able to satisfy the cultural needs of this geographically integral area and to erect an insurmountable barrier to the advance of European imperialism, and also of Russian world power. All other solutions of the Balkan problem can be only of a temporary nature and cannot for long satisfy the interests of all the races and nations that live there" (p. 228).

"A federation of all the Balkan countries will naturally be resisted by European imperialism and tsarism with all their strength. Their common interest, now as in the past, is aggravation of mutual enmity and rivalry between these nations and Turkey so as the more easily to exploit their territories as colonial spheres. Will the statesmen of Turkey and the Balkan countries come to realise their common interests and put an end to this murderous war by entering into close relations with one another? If they fail to do this, they will sacrifice the interests of their peoples to European capitalism and the interests of the Balkan dynasties" (p. 229). N.B. N.B.

WERNER ON CONCENTRATION IN THE RUHR MINING INDUSTRY

G. Werner, "Concentration of Capital in the Ruhr Mining Industry", *Die Neue Zeit*, 1913, p. 138 (October 25, 1912).

Ruhr area:

1) Deutsche Bank group:

4 *persons* are directors or board members in *four* banks:

(α) Deutsche Bank . . . . . all 4
(β) Essener Kredit-Anstalt . . 2 of them
(γ) Essener Bank-Verein . . . 2 " "
(δ) Bergisch-Märkische Bank. 2

Mines within this bank's "sphere of influence":

20 mines — *66,233* workers; **18.6** mill. tons (1907)
72,594 " ; **19.3** " " (1910)

2) Dresdner Bank and Schaaffhausenscher Bankverein group:

9 persons are directors or board members in **both** *banks*.

This group controls:

7 mines — *23,269* workers— **5.98** mill. tons (1907)
27,963 " — **7.2** " " (1910)

Magnates of capital	Chief banks	Firms, no. of mines, etc. (Mines? "Werke" or "Zechen")		1910 Workers (000)	1910 Tons Mill.)
4 persons—"personal union" of 4 banks	Deutsche Bank +3 other banks	(Deutsche Bank-konzern) (*20* mines)	α	72.6	19.3
Haniel		Private property and mine Gute Hoffnungshütte (*2* mines)	γ	35.1	9.9
Kirdorf	Discontogesell-schaft	Gelsenkirchener Bank Aktien-gesellschaft	δ (*1*)	34.4	8.5
Stinnes	Discontogesell-schaft	Private property and Deutsch-Luxemburger	δ (*2*)	34.6	9.1
	Berliner Handels-gesellschaft	Harpener Bank Aktiengesell-schaft	ε (*1*)	25.9	7.1
9 persons—"personal union"	Dresdner Bank, Schaaffhausen-scher Bank-verein	Dresdner-Schaaffhausener Banken	β (*7*)	28.0	7.2
	Berliner Handels-gesellschaft	Hibernia Aktien-gesellschaft	ε (*1*)	18.3	5.4
		Thyssen	γ (*1*)	16.2	3.9
		Krupp	γ (*1*)	12.2	3.1
		Fisk	(*1*)	11.1	2.3
			Σ=	288.5	75.9
		Total in Ruhr area		354.2	89.3
		% of these firms		81.5	85

	No. of mines	Workers (000)	Mill. tons	
α)	20	72.6	19.3	Deutsche Bank
β)	7	28.0	7.2	Dresdner Bank + Schaaffhausenscher Bankverein
γ)	4	63.5	16.9	3 magnates
δ)	3	69.0	17.6	Discontogesellschaft
ε)	2	44.2	2.5	Berliner Handelsgesellschaft
Fisk)	1	11.1	2.3	

"In the Ruhr mining industry the interests of the whole nation come into conflict with the interests of a quite insignificant number of capitalists, who number hardly one hundred" (p. 144).

Incidentally, this article deals with the question of whether or not the syndicate will be renewed. Consult Conrad's chronicle for this period (October-December 1912, etc.).

MEYER (CAPITAL INVESTMENT) AND SOURCE REFERENCES

Literature

Dr. A. Meyer, business editor of the *Neue Zürcher Zeitung*. *Capital Investment* (Zurich, 1912).

Written by a "practician": advice to capitalists.

Statistics of company profits, pp. 130-32.

In Britain, *38,928* companies were formed from 1893 to 1902. Of these, 14,538=37 per cent had to go into liquidation!! In France the number of companies forced into liquidation was about 10 per cent (Leroy-Beaulieu).

To be noted from the literature:

Wilhelm Gehrden, *The Secret of Success on the Stock Exchange*, Berlin. (no date?)

a German private speculator, who describes his "personal experience", p. 139: "a very minute number" win on the stock exchange.
p. 149: one in fifty cases of winning in deals on margin. ((Abundant examples of swindling, etc., etc.))

Africanus, *Gold-Mining Shares as Capital Investment*, Leipzig, 2nd edition, 1911.

W. Ruppel, *Business in Mining Shares*, Jena, 1909.

René Nouel, *Joint-Stock Companies*, Paris, 1911.
? *J. Steiger*, *Trusts and Cartels Abroad and in Switzerland*, Zurich.
H. Albert, *The Historical Development of the Interest Rate in Germany, 1895-1908.*
Curle, *The Gold Mines of the World*, London, 1902.
Gumpel, *Speculation in Gold-Mining Shares* (Freiburg, 1903).
Th. Huber, *How to Read a Balance-Sheet* (Stuttgart, 1910).
Robert Stern, *The Commercial Balance-Sheet* (Leipzig, 1907).
H. Brosius, *The Balance-Sheet* (Leipzig, 1906).

LIEFMANN ON THE FRANKFURT METAL TRADE

Robert Liefmann, "The International Organisation of the Frankfurt Metal Trade". *Weltwirtschaftliches Archiv*, Vol. I. Jena, 1913, p. 108 et seq.

The Merton concern grew out of the enterprises of *Merton* (Anglo-German family).

"Probably ***more than 200 million marks*** have been invested in the Merton concern as a whole, not counting, of course, the private property of the capitalists behind it" (p. 121).

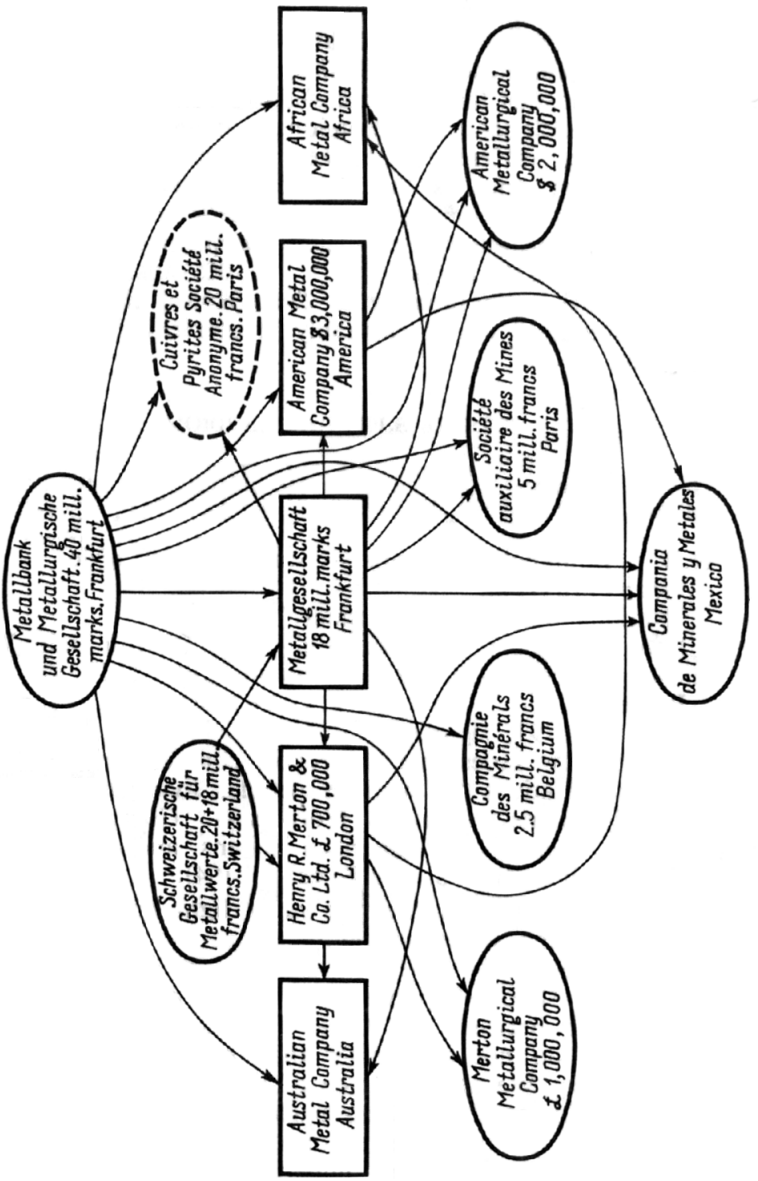
"Through its enterprises, particularly those of the Merton concern, the Frankfurt metal trade which, incidentally, includes also some other firms of considerable importance, embraces, therefore, virtually the whole world" (p. 122).

Diagram (p. 120) (town names added): [see p. 37 —*Ed.*]

Trading capital (of Merton) has passed here into productive capital.

"The characteristic feature of modern wholesale trade in almost all its branches is its *penetration into production*" (p. 111).

After the *electrical* industry (Allgemeine Elektrizitäts Gesellschaft in Germany, the General Electric Company in the U.S.A., etc.), probably "the most international branch of enterprise in Germany" (109) is the trade in


Arrows indicate the direction of control
Metallbank und Metallurgische Gesellschaft. 40 mill. marks. Frankfurt
Cuivres et Pyrites Société Anonyme. 20 mill. francs. Paris
African Metal Company Africa
American Metal Company $3,000,000 America
American Metallurgical Company $2,000,000
Metallgesellschaft 18 mill. marks Frankfurt
Société auxiliaire des Mines 5 mill. francs Paris
Schweizerische Gesellschaft für Metallwerte. 20+18 mill. francs. Switzerland
Henry R. Merton & Co. Ltd. £ 700,000 London
Compagnie des Minérals 2.5 mill. francs Belgium
Compania de Minerales y Metales Mexico
Australian Metal Company Australia
Merton Metallurgical Company £1,000,000

metals (especially copper, zinc, lead, and rare metals—the chief centre of which is Frankfurt).

The present head, *Dr. Wilhelm Merton* (member of the board of most of the companies), is in Frankfurt. His father, *Henry R. Merton*, is in London.

The chief difference between all these companies and other similar ones is that the capitalists at the head of the business still have a *direct* (p. 119) part in all trading and production enterprises. They "supplement" their capital by capital from the public.

Of course, the number of "companies" in which they have "holdings" is immeasurably greater than shown in the diagram.

BOURGEOIS SCIENTISTS ON THE STRUGGLE AGAINST IMPERIALISM

N.B. Bourgeois scientists on the struggle against *imperialism*;

"Nationalities and subject races."

Report of the conference held in the Caxton Hall, Westminster, June 28-30, 1910. London, 1911 (XII + 178 pp.).

Review in *Weltwirtschaftliches Archiv*, Vol. II, p. 193, signed *H. J. Nieboer* (Hague). The author of the review notes that the report contains brief speeches by representatives "of various peoples living under foreign rule: Egyptians, Indians, Moroccans, Georgians, Negro races of Africa, South American Indians, and also European nations such as the Irish and Poles" (p. 194).

||| "We are told that we must fight imperialism; that the ruling states should recognise the right of subject peoples to independence; that an international tribunal should supervise the fulfilment of treaties concluded between the Great Powers and weak nations.

N.B. || They do not go further than expressing these pious wishes. We see no trace of understanding of the fact

N.B. || that imperialism is inseparably bound up with capitalism in its present form and that, therefore, an

!! || open struggle against imperialism would he hopeless.

unless, perhaps, it is confined to protests against certain of its especially abhorrent excesses" (p. 195).* || N.B. !!

It is significant that the bourgeois "imperialists" in *Weltwirtschaftliches Archiv* keep track of the national liberation movements in the colonies (at least the non-German ones).**

For instance, Vol. III, 2

the ferment and protests in India (p. 230)

idem in Natal (Africa) owing to restrictions on the immigration of Indians (230-31).

Vol. IV, 1, p. 130—the movement for self-government in the *Dutch Indies*.***

MORIDE, "MULTIPLE STORES"

Pierre Moride, "Multiple-Store Firms in France and Abroad", Paris, 1913 (Alcan). (Review in *Weltwirtschaftliches Archiv*, IV, 1, p. 286.)

		Branches	
Britain	497 firms with	20,644	
Germany	14,453 " "	34,464	(of which *31,799* are shops or larger stores
↓	↓	↓	
No. of employees	926,369 — — —	473,077	
France . . . . . ?		12,000	
		50,000	manual and non-manual employees
		125	million francs wages

— — — "a manifestation of the process of concentration which is seen in trade as well as in manufacturing industry" (p. 286).

* See present edition, Vol. 22, p. 286ff.—*Ed.*

** Ibid.—*Ed.*

*** Ibid.—*Ed.*

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N.B. *The Edinburgh Review*
1915, October:
"The Workshops and the War."
[A very interesting article on the attitude of the working class to the war and its economic effects (improved position of the workers, less unemployment, etc.).]
The Atlantic Monthly, 1916, apparently June. *White*, "The Different World After the War".

N.B. *Schmoller's Jahrbuch*, 37th year. Marx on *statistics of bond issues* in Germany and abroad.
? Albin **Geyer**, *Jahrbuch der Weltgeschichte*. 1913—14th year. Leipzig, 1914. (Karl Prochaska's *Illustrierte Jahrbücher*.)
[Supposed to be terse surveys of the year, rather than a collection of documents or handbook.]
[*Ch. K.*] *Hobson*, *The Export of Capital*, London, 1914.
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Vogelstein, *Capitalist Forms of Organisation*.

SCHILDER, VOLUME 5 OF *WELTWIRTSCHAFTLICHES ARCHIV*

Sigmund *Schilder*. "World-Economic Background of the World War". *Weltwirtschaftliches Archiv*. Vol. 5 (I) (pp. 1-22).

A very good outline (Germanophile, of course).

The transition of other countries to protectionism caused *Britain* in the 19th-20th century to pass to plans for war.

Austria. Her Balkan aspirations.

Interesting to note: in *Serbia* (at the time of the annexation of Bosnia and Herzegovina) in 1908-09 there were voices *in favour of* war with Austria-Hungary on the following grounds. If we win, we shall take the Serbs away from Austria-Hungary. If we are defeated, *Serbia will be included in the customs frontier* of Austria-Hungary. *That would suit us too*. We have nothing to lose (p. 11). !! N.B.

For *Russia* > "first and foremost" "the private economic advantage of the military-bureaucratic ruling class" (12). Exception: the drive for the Dardanelles.

In *France* dissatisfaction over the Morocco-Congo agreement of November 4, 1911.

Belgium can retain her Congo only with the help of Britain; the agreement of *February 5, 1895* gave France "first option" to the purchase of the Congo (p. 16). N.B.

Japan aims at *domination* over China.

Turkey prior to 1913 was "an object rather than a subject of world politics" (19).

Portugal is dependent on Britain.

Spain (by the November 27, 1912 treaty with France) obtained a northern portion of Morocco (France was *against*, Britain was *in favour*). Spain has gone a long way in the 16 years, 1898-1914.

NOTES FROM *NASHE SLOVO*

Nashe Slovo No. 11 (February 10, 1915).

N.B. // Zalewski's article "Concerning the National Question". *In favour of* § 9.[4] He quotes from *Iskra* No. *44*: ..."However, our unreserved recognition of the struggle for freedom of self-determination does not in any way commit us to supporting every demand for national self-determination. As the party of the proletariat, the Social-Democratic Party considers it to be its positive and principal task to further the self-determination of the proletariat in each nationality rather than that of peoples or nations."* No. 82 (May 6, 1915). Leading article: "Imperialism and the National Idea".

(against Hervé. "The bare national idea is *reactionary*." The twentieth century = the century of imperialism; the nineteenth century, that of nationalism.)

{ No. 116 (June 17, 1915) "K. Kautsky on Plekhanov"
and No. 117 (June 18, 1915) (from a Bulgarian magazine)
and No. 118 (June 19), No. 130 (July 3, 1915) "The Nation and the Economy" by N. Trotsky + No. 135 (July 9).

{ No. 170 August 21, 1915 L. Martov against *Sotsial-*
and 171 August 22, 1915 *-Demokrat* (on defeat).
172 (August 24, 1915)

No. 192 (September 16, 1915) Martynov on "*The United States of Europe*".

No. 209 (October 8, 1915) N. Trotsky on Zimmerwald.

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* See present edition, Vol. 6, p. 452.—*Ed.*

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? *Emil Brezigar*, *Harbingers of Economic Crisis in Germany*, Berlin, 1913 (1.80 marks).
Prognosis of the 1913-14 crisis.

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N.B.: *O. S c h w a r z, Financial Systems of the Great Powers*. (Series of Göschen publications.) Two vols. Leipzig, 1909.
N.B. | [Interesting tables on the development from the seventies to 1900. N.B.]
Principles of Social Economics, Tübingen, 1914 et seq.

TOTAL CAPITAL IN JOINT-STOCK COMPANIES

What amounts do "they" control?

Bank-Archiv, XIIIth year. June 15, 1914.
"German joint-stock company reports, 1907-8—1911-12"....

1911-12 ...	Number of joint-stock companies	4,712		
	their share capital	14,880	mill.	marks
	actual reserves	3,515	"	"
	income	1,470	"	"
	Number of companies paying dividends	3,481		
	Total dividend	1,220	mill.	marks=8.39%
	Growth of capital: from *1907 to 1912* (5 years)			
		=+2,766	mill.	marks nominal
		+3,346	"	" at market value
!! |||	above nominal	+ 579	"	" (!!)

KESTNER, *COMPULSORY ORGANISATION*

Dr. Fritz *Kestner*, *Compulsory Organisation. A Study of the Struggle between Cartels and Outsiders*, Berlin, 1912.

A systematic study of conflicts between cartels and "outsiders" and within cartels—and methods of "struggle":

1) Stopping supply of raw materials....
2) Stopping supply of labour by means of alliances....
3) Stopping deliveries....
4) Closing trade outlets....
5) Binding purchasers by exclusive agreements.
6) Systematic price cutting.
7) Stopping credit....
8) Boycott.*

[From *Inquiry into Cartels* (5 vols. 1903-06) and others.]

A host of examples. Very detailed examination of the state and legal significance....

* See present edition, Vol. 22, p. 206.—*Ed.*

"The Rhine-Westphalian Coal Syndicate, at its foundation in 1893, concentrated 86.7 per cent of the Rhine-Westphalian coal output ... in 1910—95.4 per cent (p. 11)....* The United States Steel Trust in 1911—45 per cent of the output of pig-iron".... (Other examples: 98 per cent—85 per cent, and so on.)

The entry of a particular enterprise into a cartel is a business act decided by considerations of profit. Like the operation of cartels in general, its implications are felt mainly in periods of depression. Conflicts between cartels and outsiders arise chiefly because of the differing impact restriction of trade outlets, the inevitable result of the cartel activity, has on individual enterprises. Restriction of trade outlets has a particularly severe impact on enterprises capable of expansion, which is why their resistance is the strongest" (pp. 25-26)....

..."The difference between the two concepts" (cartel and trust) "is really one of ownership: various owners in the cartel, only one in the trust" (p. 53 and a reference to Liefmann).

"It has been repeatedly established—and this can be regarded as a general phenomenon—that the profitability resulting from cartelisation attracts new entrepreneurs and new capital into the industry" (57). For example, the Potassium Syndicate raised prices. Result:

in 1879 there were 4 enterprises
" 1898 " " 13 "
" 1909 " " 52 (p. 57)

Provisions concerning *higher* prices for outsiders sometimes take the form of *lower* discounts for them (p. 73)....

The Buchhändler Börsenverein—forbade the sale of books "to dealers selling at bargain prices" (84).

"Stopping the supply of materials, along with binding purchasers by means of exclusive agreements, which will be dealt with below, must be regarded as one of the most important means of compelling entry into the cartel" (91)....

* Ibid., p 203.—*Ed.*

...Export subsidies... (107).

"dependent traders' organisations are set up" (109)...

(coal—paraffin....)

Price cutting.... There were cases of benzine prices being reduced from 40 to 20-22 marks (118)—of alcohol in Upper Silesia to 49.5 marks (in Breslau the price is 62.2 marks).... Credit refusal: Phoenix declined to join the Federation of Steel Plants. The director of the firm was against joining. The banks bought up its shares—withdrew its export subsidies—and secured a vote in favour of joining at a meeting of shareholders!! (pp. 124-25).

Agreements with members *within* the cartel ... (penalties; arbitration courts instead of general courts)....

The best means of control—"joint sales office" (153)....

"Jeidels (p. 87 of his book) is undoubtedly right that the foundation of a new big independent bank in Germany would be impossible" (p. 168).

"Even in the purely economic sphere a certain change is taking place from commercial activity in the old sense of the word towards organisational-speculative activity. The greatest success no longer goes to the merchant whose technical and commercial experience enables him best of all to estimate the needs of the buyer, and who is able to discover and, so to speak, 'awaken' a latent demand; it goes to the speculative genius who knows how to estimate, or even only to sense in advance, the organisational development and the possibilities of certain connections between individual enterprises and the banks..." (p. 241).*

!! "The heads of the big firms are able at any time to enlist the services of the most learned and skilful lawyers, and if they themselves are not highly versed in commercial matters, they can enlist the aid of outstanding businessmen. It is common knowledge that the central offices of big enterprises employ a whole number of persons who have no relation to the undertaking as such, including even a doctor of political economy for economic propaganda on behalf of the firm" (p. 242).

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* See present edition, Vol. 22, p. 206.—*Ed.*

The formation of cartels—and this has been established in the case of those formed so far—leads to an alteration of prices, and also incomes, *in favour of* heavy or *raw-materials industry* and to the detriment of manufacturing industry. The prolonged raising of prices which results from the formation of cartels has hitherto been observed only in respect of the most important means of production, particularly coal, iron and potassium, but never in respect of manufactured goods. Similarly, the increase in profits resulting from this raising of prices has been limited only to the industries which produce means of production. To this observation we must add that the industries which process raw materials (and not semi-manufactures) not only secure advantages from the cartel formation in the shape of high profits, to the detriment of the finished goods industry, but have also secured a dominating position over the latter, which did not exist under free competition" (p. 204).* N.B.

Cartels, says Kestner, do not always lead to concentration (they may "rescue" small establishments joining the cartel), but the cartel always leads to "intensification of capital" (274) ... to an enhanced role of rich, big-capital enterprises (272 and 274).

Regarding the importance of cartels one should not overlook, Kestner says, the difference between an organisation, say, of consumers (this is socialism, p. 282), and an organisation of manufacturing or raw-materials industries.

"The present situation, the dependence of a much bigger section of industry on the output of raw materials, has a certain superficial resemblance to it [to a union of consumers, etc.]** but internally it is the exact opposite" (p. 282). ((Liefmann, he says, constantly overlooks this difference—*note, p. 282.*))

"It is a matter of dispute whether cartels have led to an improvement of the workers' position, as is asserted by some and contested by others, and whether they embody a co-operative democratic principle" ((Tschierschky!! The

* Ibid., p. 207.—*Ed.*

** Interpolations In square brackets (within passages quoted by Lenin) have been introduced by Lenin, unless otherwise indicated.—*Ed.*

author rejects that view: note, p. 285)), "or whether they indicate, precisely in the case of Germany, an anti-democratic attitude, owing to the shift to heavy industry which is hostile to the trade unions" (285)....

VIENNA *ARBEITER-ZEITUNG* ON VIENNESE BANKS

Vienna *Arbeiter-Zeitung*, 1916 (April 11, 1916), No. 101.

Figures on banks (eight big banks: Kreditanstalt; Unionbank; Verkehrsbank; Eskomptegesellschaft; Bankverein; Bodenkreditanstalt; Merkur + Allgemeine Depositenbank).

Capital—	657.4	mill. kronen
Reserves—	383.2	" "
	1,040.6	
Borrowed money	4,833.8	
Net profit	81.4	" "
Increase of deposits compared with 1914	1,067.9	

ANNALS OF THE AMERICAN ACADEMY

The Annals of the American Academy of Political and Social Science, Vol. LVII-LIX (*1915*).

Return to it

(Consists of separate booklets + bibliography, etc. Vol. LIX (1915. *May*): *The American Industrial Opportunity*. A collection of articles.)

Total wages in the *U. S. A.*[5]
1/10—$1,000 and > (p. 115)
2/10—$750-1,000
7/10—< $750

Includes an article by *William S. Kies*, "Branch Banks and Our Foreign Trade" (p. 301).

"Forty English banks operating in foreign countries have 1,325 branches; in South America five German banks have forty branches and five English banks have seventy branches.... England and Germany have put into Argentina, Brazil, and Uruguay, in the last twenty-five years, approximately 4,000 million dollars, and as a result enjoy together 46 per cent of the total trade of these three countries."*

((and further on New York's aspirations and attempts to replace them....))

A special examination of the "opportunity" for the U.S.A. to take advantage of the war to increase its trade, etc. with *South America*.	N.B.

p. 331 (in another article)...." Sir George Paish in the last annual of *The Statist* estimated that upwards of 40,000 million dollars of the capital had been supplied to the less developed countries by the five lending nations of the world, Great Britain, Germany, France, Belgium and Holland"....**

200,000 million francs. *40,000 million dollars* = 160,000 million marks

cf. p. 2 here***

In another article on South American Markets": "Another fundamental proposition—and the most important of all in increasing trade with South America—is the investment of capital from the United States in loans and in construction and similar enterprises. The country whose capital is invested in a South American country is going to get the most of the contracts for materials used in construction enterprises, railway building, and the likes, as well as the contracts for public improvements carried on by the governments.

N.B.

* See present edition, Vol. 22, p. 245.—*Ed.*
** Ibid., p. 245.—*Ed.*
*** See pp. 66-67 or this volume.—*Ed.*

England's investments in Argentine railways, banks and loans are the living evidence of this fact" (314)....

110 corporations own capital = 7,300 million dollars, number of shareholders = 626,984.

Figures for *1910* given, inter alia, in "Stocks and Stock Market". Total American stocks = 34,500 million dollars (but without overlapping approximately) = 24,400 million dollars, and total wealth = 107,100 million dollars.

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Ergang, *The Problem of Machines in Economic Science*, 1911.
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* See p. 70 of this volume.—*Ed*.

STILLICH, *MONEY AND BANKING*

Dr. **Oskar Stillich**, *Money and Banking*, Berlin, 1907.

A **super**-popular piece.

a Proudhonist fool and banker against money

p. 95. Banker *Julius Hucke*, *The Money Problem and the Social Question* (5th edition), 1903.

p. 143: "No banking operation brings in such high profit as the issue of securities."* Profits from the issue of securities are higher than anywhere else.... There have been attempts to justify profits from the issue of industrial shares by pleading expenses and anticipated higher returns, but in reality this is economically unearned profit, and according to the *Deutsche Oekonomist* it amounts, on an average:

N.B.

1895—38.6%
1896—36.1%
1897—66.7%
1898—67.7%
1899—66.9%
1900—55.2%

N.B. idem more fully in Sombart, *The German National Economy in the Nineteenth Century* (*2nd edition*, 1909), p. *526*, appendix 8

N.B. "In the ten years, from 1891 to 1900, more than a thousand million marks were 'earned' by issuing German industrial stock."**

p. 138. "*Reconstructions*".... Shares are amalgamated and their nominal value decreased. A classic example of such writing down of share capital is the Dortmund Union founded by the Discontogesellschaft.

N.B. In the first volume of my *Economic Studies in Big Industrial Enterprise* (Leipzig, 1904), I examined in detail the financial history of the unfortunate offspring of this bank. In

* See present edition, Vol. 22, p. 234.—*Ed.*
** Ibid., p. 234.—*Ed.*

the course of thirty years, more than 73,000,000 marks were written off the books of the Union by a series of operations decreasing the nominal value of shares. At the present time the original shareholders of the company possess only 5 per cent of the nominal value of their shares"!! (138).*

good example !!!

!!!

Current Accounts—a means of exerting influence on industry.

"How great the banks' influence over their clients is shown, for example, by the following letter, reproduced from the *Kuxenzeitung*, sent on November 19, 1901 by the *Dresdner Bank* to the Board of the German North-West Cement Syndicate. The letter states: "As we learn from the notice you published in the newspaper *Reichsanzeiger* of November 18, we must reckon with the possibility that the next general meeting of your syndicate, to be held on the 30th of this month, may decide on measures which are likely to effect changes in your enterprise which are unacceptable to us. We deeply regret that, for these reasons, we are obliged henceforth to withdraw the credit which has hitherto been allowed you. Accordingly, we ask you to cease requests for money from our bank and at the same time we respectfully ask you to return not later than the end of the-current month the sums owing to us. But if the said next general meeting does not decide upon measures which are unacceptable to us, and if we receive suitable guarantees on this matter for the future, we shall be quite willing to open negotiations with you on the grant of a new credit"** (146-47).

good example!!

!!

!!!

* Ibid., p. 235.—*Ed.*
** Ibid., pp. 223-24.—*Ed.*

good example !!! !! ...“The daily occupation of a number of employees in our big banks consists solely of calculating the interest on current accounts. In the course of time they achieve real virtuosity in this matter.... They are an example of how capital suppresses personality and turns the individual into a machine” (148)....

N.B. “‘*Every bank is a Stock Exchange*’, and the bigger the bank, and the more successful the concentration of banking, the truer does this modern aphorism ring” (169).*

ha-ha!! (cf. K. Kautsky) “Through their subsidiary banks the *Pereires*” (founders of Crédit Mobilier) “wanted to entangle various nations financially and in this way promote world peace” (180)....

“Spheres of operation” “for bank capital”

in the seventies—German *railways* (nationalised at the close of the seventies)

in the eighties—Rhine-Westphalian *heavy* industry

in the nineties—*electrical* industry (and engineering).

attitude to employees “In 1906 the four Berlin “D” banks (Deutsche Bank, Discontogesellschaft, Dresdner Bank, Darmstädter Bank) concluded an agreement not to engage an employee of any of these banks who had not been freed from his post!” (203). The opposition of the employees compelled a “substantial” (??) “modification” (??) of this agreement ((in what respect? how????)).

End

N.B.: *H. Withers*, *Money and Credit in England*, 1911.
Philippovich
Sombart
Principles of Social Economics (Bücher, Schulze-Gaevernitz, etc., etc.).

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* See present edition, Vol. 22, p. 218.—*Ed.*

LIEFMANN, *CARTELS AND TRUSTS*

Professor Dr. R. Liefmann, *Cartels and Trusts and the Further Development of Economic Organisation*, 2nd edition, Stuttgart, 1910. Library of Jurisprudence and Political Science.

A popular book giving a good outline of the subject matter. The standpoint is that of a dull-witted, smug, complacent bourgeois apologist.

The facts are not badly selected but, of course, apologetically.

N.B.: p. *161*:

"In Germany there have been a very large number of mergers that are not (???) of a monopolistic nature.... A typical example—not to cite numerous instances from a more remote period—is the gunpowder industry. Already in the seventies, 19 gunpowder factories merged in a single joint-stock company. In 1890, this merged with its most powerful rival to form the Vereinigte Köln-Rottweiler Pulverfabriken. This big joint-stock company then formed cartels not only with other gunpowder factories, but also with the dynamite trust mentioned above. Thus there was formed quite a modern amalgamation of all the German explosives factories, which, together with the similarly organised French and American explosives factories, have divided the whole world among themselves, so to speak" (p. 161).*

division of the world

The number of industrial cartels in Germany (1905) was *385* (in reality more: p. 25).**

N.B. **Riesser** (p. *137*), in quoting these statistics, adds: "*about 12,000* firms participated 'directly'

* Ibid., p. 252.—*Ed.*
** Ibid., p. 202.—*Ed.*

in these cartels". *Riesser, The German Big Banks and Their Concentration*, 3rd edition, Jena, 1910.

The number of international cartels (with German participation) is *about 100* (p. 30: in 1897 it was about 40).*

Potassium Industry

First cartel	1879: 4 firms
Prices rise	1898: 10 firms
"Potassium fever":	1901—*21* firms
	1909—*52*

("Some collapsed")

The Steel Trust in America (1908: 165,211 workers) 1907—210,180 workers (total wages—$161 million), net profit—$170 million, capital—$1,100 million (p. 124).

In 1908, the biggest firm in the German mining industry, Gelsenkirchner Bergwerksgesellschaft, had 1,705 employees + 44,343 workers (wages—70.5 million marks).

(p. 135). In 1902 (June 17, 1902) *Schwab* founded the *Shipbuilding Company*, capital $70.9 million—of which Schwab had $20 million. Later this company *went bankrupt*; the public were robbed!

(173, etc.) "Interlocking", "holdings" (passim), "abolishing isolation" (p. 155)—these are Liefmann's "*catchwords*" for avoiding (and obscuring) Marx's concept of "socialisation".[6]

((End of extracts from Liefmann))

FROM *PRINCIPLES OF SOCIAL ECONOMICS*

Principles of Social Economics, *by S. Altmann ... K. Bücher and many others.*

Section V, Part II: "*Banking*" (Schulze-Gaevernitz and Jaffé), Tübingen, 1915.

I. Schulze-Gaevernitz, "The German Credit Bank" (1-190).

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* See present edition, Vol. 22, p. 252.—*Ed.*

II. Edgar *Jaffé*, "Anglo-American and French Banking" (191-231).
(More like a textbook, by paragraphs, apparently mostly chatter and "systematics".)

There is also *interesting material*. The spirit of "*imperialism*" *throughout*.

p. 53: in 1914 eight Berlin big banks owned

share capital—	1,245	mill. marks
including Deutsche Bank	250	
Discontogesellschaft	300	
Dresdner Bank	200	
reserves	432	
	1,677	
borrowed money.	5,328	
("total capital").	7,005	

p. 140: Specialisation: "Money and Credit Operations".

	1882	1907
Establishments	5,879	13,971
Persons employed	21,633	66,275
(of whom women)	244	3,089
in 1907 there were 3 establishments with > *1,000*		employees
Deutsche Bank in 1912 had	*6,137*	"
Dresdner Bank " 1912 "	*4,638*	"

cf. p. 11: there were 14,000 banking houses in Germany in 1907, of which 4,000 were auxiliary establishments....

p. 145: ..."The big banks have become the most important means for the *economic* unification of the German Reich....

"Once the supreme management of the German banks has been entrusted to the hands of a dozen persons, their activity is even today more significant for the public good than that of the majority of Ministers of State" (145-46).*

"a dozen persons"

* Ibid., p. 303.—*Ed*.

ha-ha!!

"If, however, this is so, then the national welfare requires the development of a new spiritual type of bank magnate whose abstract [ha-ha!] urge for profit is permeated by national-political and therefore *national*-economic considerations....

Saint-Simon

"If we imagine the development of those tendencies we have noted carried to their logical conclusions we will have: the money capital of the nation united in the banks; the banks themselves combined into cartels; the investment capital of the nation cast in the shape of securities. Then the forecast of that genius *Saint-Simon* will be fulfilled: 'The present anarchy of production, which corresponds to the fact that economic relations are developing without uniform regulation, must make way for organisation in production. Production will no longer be directed by isolated manufacturers, independent of each other and ignorant of man's economic needs; that will be done by a certain public institution. A central committee of management, being able to survey the large field of social economy from a more elevated point of view, will regulate it for the benefit of the whole of society, will put the means of production into suitable hands, and above all will take care that there be constant harmony between production and consumption. Institutions already exist which have assumed as part of their functions a certain organisation of economic labour, the *banks*.' We are still a long way from the fulfilment of Saint-Simon's forecast, but we are on the way towards it: Marxism, different from what Marx imagined, but different only in form!" (146)*

what Marxism!!!

* See present edition, Vol. 22, pp. 303-304.—*Ed.*

"Of course, investments like those made by Britain, e.g., in the Suez Canal, on the basis of her political power—the shares were bought in 1876 for £*4* million and today are worth £*30* million—are still unattainable for Germany" ... (159-60).

good example! (envy) *4* and *30*

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p. 164 quotes *J. Lewin*, *German Capital in Russia*, St. Petersburg, 1914.

"The economic function of the banks is the already much discussed *management of the national property* [a reference to Lansburgh's article in the magazine *Die Bank*, 1908]. Today, the greater the development of credit operations, the greater becomes the share of the total capital going to entrepreneurs chosen by the bank. The banks now provide the channels through which flow not only annual savings but also previously accumulated (and continually renewed) capital. One recalls, above all, the enormous growth of 'borrowed money'. In our joint-stock banks in Germany these deposits amounted to about 1,280 million marks at the end of 1891; to about 6,305 million marks at the end of 1906; at the present time they are estimated at approximately *10,000* million marks.

N.B.

N.B.

10,000 million

"At the end of 1913, deposits of the nine big Berlin banks alone were about 5,100 million marks.* At the same time, however, the banks act as channels for still larger movements of capital in dealings in stock. In this matter, even if there is good will, they may *make mistakes*; they may direct thousands of millions into the wrong channel and,

5,000 million

* Ibid., p. 211.—*Ed.*

N.B. under certain circumstances, lose. At the present time a few big banks can to a certain extent determine the course of our economic development. Hence their economic responsibility to the shareholders becomes a national economic responsibility in relation to the state as a whole. They do, in fact, direct capital into industrial and commercial channels, primarily into the giant enterprises of heavy industry, and also into real estate—

N.B. formerly into the estates of the nobility but nowadays into the leasehold houses of the big cities. Hence the rapid progress of the German iron industry, which is second only to America, and of the German big cities, which are overtaking even their American prototypes" (p. 12)....

N.B. p. 27: "Borrowed money (of creditors and depositors) at the end of 1908: *8*,250 million marks in credit banks, *15,000* million marks in savings banks, *3,000* million marks in credit associations. Σ = 26,250 million marks.

N.B. "'Private banking houses' are increasing in number (1892: 2,180; 1902: 2,564; 1912: estimated at about 3,500) and decreasing in importance" (p. 16).

Everywhere (passim), throughout, Schulze-Gaevernitz's tone is that of triumphant German imperialism, of a triumphant swine!!!!

Characteristic of a crisis!! p. 35: 1870—31 banks with a capital of 376 million marks
1872—139 " " " " " 1,112 " "
(1873)—73 banks, the rest with a capital of 432 mill. marks liquidated by the crisis

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State Bank endorsement and clearing operations (*thousand million* marks)

1891	1901	1913
98.7	196.6	452.8
including turnover of cash payments		
24.3 (=24.7%)	29.7 (=15.1%)	43.4 (=9.6%)

N.B.

..."In 1909, the Bank of France discounted 7,500,000 bills below 100 francs, whereas the German State Bank discounted only 700,000 bills below 100 marks" (p. 54).

"Democratisation" of banking!![7] Compare the one-pound shares in Great Britain and the minimum of 1,000 marks in Germany (p. 111).* The average size of a bill of exchange in Germany = *2,066* marks (State Bank); in France it is *683* francs (Banque de France).

"G. von Siemens declared in the Reichstag on June 7, 1900, that the one-pound share was the basis of British imperialism" (p. 110).**

N.B.

"The British industrial state is based less on credit than the German, and more on its own capital" (55).

"Even today, Great Britain, as the international intermediary for payments, is said to earn about 80 million marks annually as commission on acceptances. It is said that *6,000 million* marks are paid annually through Great Britain for the overseas trade of Europe" (83).

p. 100: § entitled "The Banks' Domination over the Stock Exchanges?"—This is said to be an exaggeration but "their [the banks'] influence is far-reaching"....

* See present edition, Vol. 22, p. 228.—*Ed.*
** Ibid.—*Ed.*

completely organised

"While formerly, in the seventies, the Stock Exchange, flushed with the exuberance of youth, opened the era of the industrialisation of Germany, taking advantage of the opportunities offered by shares, nowadays the banks and industry are able to 'manage it alone'. The domination of our big banks over the Stock Exchange, which is bound up with contango business—but not only with this—is nothing else than the expression of the completely organised German industrial state. If the domain of automatically functioning economic laws is thus restricted, and if the domain of conscious regulation by the banks is considerably enlarged, the *national* economic responsibility of the few directing individuals is immensely increased" (101).*

N.B.

(Quoted) *A. Löwenstein*, "History of the Württemberg Credit Bank System and Its Relation to Big Industry" ... *Archiv für Sozialwissenschaft*. Supplementary issue No. 5. Tübingen, *1912*.

Issues (p. 104):

	Internal securities			
	1909	1910	1911	
Germany with colonies	3.2	2.5	2.2	7.9:3=2.6
Britain with colonies	1.9	3.1	1.8	6.8:3=2.3
France with colonies	1.4	0.7	0.6	2.7:3=0.9

* See present edition, Vol. 22, p. 218.—*Ed.*

	Foreign securities			My calculation	
	1909	1910	1911	Σ:3 =	ΣΣ
Germany with colonies . .	0.3	0.5	0.5	1.3 : 3 = 0.4	3,000 *million* marks
Britain with colonies . .	1.8	2.3	2.0	6.1 : 3 = 2.0	4,300 *million* marks
France with colonies . .	2.0	3.8	3.1	8.9 : 3 = 2.9	3,800 *million* marks

Issues in Germany (at market value)

000 million marks

	Social credit (state and mu-) municipal loans	Land credit (mortgages)	Industrial and trade credit	Internal securities Total	Foreign securities Total
[1886-1890]	1.8	1.2	1.3	4.3	2.3
[1891-1895]	1.8	2.2	0.8	4.8	1.5
[1896-1900]	1.7	1.9	4.3	8.2	2.4
[1901-1905]	3.3	2.3	2.6	8.3	2.1
[1906-1910]	6.0	2.6	4.8	12.6	1.5

The author concludes:

"The statistics of issues very clearly reveal the state-socialist and industrial colouring of the German national economy" (104).

Germany's "Prussian railway system", the author says, is "the greatest economic undertaking in the world" (104)....

Joint-Stock Companies in Prussia in 1911

(million marks)

	Invested capital			Annual profit				
	No. of companies	Nominal value	Market value	% (market)	Million marks	% of nominal value	% of market value	
177.9%	890	8,821	15,696	177.9	952	10.8%	6.1%	15,700 -8,800 6,900 mill.

N.B. ....“Advocates of the small share emphasise that it enables workers to participate in industry, interlocking the interests of the worker and the employer in a way that is socially and economically desirable. It is profit-sharing in a modern form” (pp. 110-11)—(in connection with one-pound shares).

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phrase-mongering and lies!! In the § on “speculation in securities” (p. 111 et seq.), instead of *exposing* speculation by the banks ((cf. the magazine *Die Bank*, Eschwege and others)), the scoundrel Schulze-Gaevernitz gets out of it by phrases: If our banks were speculative companies ... it would mean ... the collapse of the German national economy” (112) ... ((“if”)) ... saves the “propriety” of our “business world”, and our bank officials are forbidden to speculate in *alien* banks (of course, he says, this can be easily circumvented!! in large cities) ... but what about *bank directors*? For they are “in the know” (“Wissenden”)!! Here, he says, legislation is of no avail, what is needed is “strengthening of the commercial sense of honour and standing” (113)....

!!

9 banks 83% of the total!! “At the end of 1909, the nine big Berlin banks, together with their affiliated banks, controlled 11,300,000,000 marks, that is, about **83** per cent of total German bank capital. The Deutsche Bank, which together with its affiliated banks controls nearly *3,000,000,000* marks, represents, parallel to the Prussian State Railway Administration, the biggest and also the most decentralised accumulation of capital in the Old World” (137)....*

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* See present edition, Vol. 22, p. 211.—*Ed.*

Agreements between banks: the Darmstädter Bank wanted to conclude an agreement with the city of Berlin on "revenue-use" of the Tempelhof area, at a 10 per cent profit. Later, when the Deutsche Bank made this deal—the Darmstädter Bank was found to be in its consortium!! (p. 139).... "Bank consortiums of this kind tend to make price agreements"....

towards a bank cartel

"Nevertheless, the 'general agreements' concluded in the summer of 1913 go so far that, after their implementation, there can hardly be any further talk of free competition in banking" ... (139) ...

(1913)

"The Discontogesellschaft, for example, employs a permanent staff of 25 to check accounts and the formal aspect of operations" (143).

25 persons control....

"Army service in Prussia and Germany, with the mass training it provides in disciplined work, performs important preparatory work for big firms, especially the banks. If it were not indispensable already on political grounds, it would have had to be introduced as a preparatory school for big capitalist firms and for raising the intensity of economic activity" (144-45)....

banks and the army!!

"Thirty years ago, businessmen, freely competing against one another, performed nine-tenths of the work connected with their business other than manual labour. At the present time, nine-tenths of this 'brain work' is performed by *employees*. Banking is in the forefront of this evolution (151).* In the gigantic firms, the official is everything, even the director is a 'servant' of the institution"....

N.B.
N.B.

N.B.

* Ibid., p. 219.—*Ed.*

...“The *Frankfurter Zeitung* (May 2, 1914) greeted the fusion of the Discontogesellschaft with the Schaaffhausenscher Bankverein with the following words:

“‘The concentration movement of the banks is narrowing the circle of establishments from which it is possible to obtain credits, and is consequently increasing the dependence of big industry upon a small number of banking groups. In view of the close connection between industry and the financial world, the freedom of movement of industrial companies which need banking capital is restricted. For this reason, big industry is watching the growing trustification of the banks with mixed feelings. Indeed, we have repeatedly seen the beginnings of certain agreements between the individual big banking concerns, which aim at restricting competition’” (p. 155).*

N.B.

154-55: The question is: who is more dependent on whom, the banks on industry or vice versa?...

Wiewiorowski, *The Effect of the Concentration of German Banks on Crisis Phenomena* (Freiburg Thesis), Berlin, 1911.

N.B.

Völker, *Forms of Combination and Interest Sharing in German Big Industry*, Leipzig, 1909 ((*Schmoller's Jahrbuch*, Vol. 33, No. 4)).

Chapter X. “Foreign Investments.”

N.B.

“For our banks to be able to channel the inflow of capital into foreign investments requires definite prerequisites of a private economic nature on the part of their clients.

N.B.

The chief stimulus is the need for a higher rate of profit than that from investment at home,

* See present edition, Vol. 22, p. 220.—*Ed.*

where capital wealth is increasing and the rate of interest falling.... N.B.

"...The banks therefore aim primarily at stock issues, which usually yield higher profits in foreign countries poor in capital and rich in raw materials" (158).... N.B.

N.B. [cf. above, p. *44* quotation: from pp. 159-60*] N.B.

"According to statistical data, foreign capital investments are estimated at *7 0*,000 million marks for Britain, 35,000 million for France (1910), but hardly *20*,000 million for Germany in 1913" (160). 70 35 20

Quoting facts confirming "export stipulations" and the benefit accruing to industry from foreign investments, Schulze-Gaevernitz says, incidentally, that France also benefits from this:

"The French rentier state is thus experiencing a second industrial flowering"—the floating of the Turkish loan in **1910** was made conditional on Turkey not giving to *any* country *m o r e* orders than to France... (p. 163). characteristic!!!

"Germany today is a typical 'entrepreneur operating abroad', whereas France, and gradually also Britain, are becoming ossified as rentiers.... Though the world of today has an Anglo-Saxon countenance, our banks, by means of railways, mines, plantations, canals, irrigation works, etc., are working to give this countenance traits of the German spirit" (164).... N.B.

(N.B.: p. 1, note. "Written **b e f o r e** the war.")

In Chapter X.

C. "Political appraisal of foreign investments." N.B.

"The export of capital is a means for achieving the foreign policy aims and, at the same time, its success depends on foreign policy

* See p. 59 of this volume.—*Ed.*

"a) *The creditor states*: *France*, *Great Britain*, *Germany*. Great Britain and France, the two big creditor powers of the world, are *political* bankers. The state and the banking community act as *one and the same* person. Such is the French Government and the Crédit Lyonnais. Such is the friendship of Edward VII and Sir E. Cassel. Hoping to win the main prize in the political lottery, France staked thousands of millions of francs, on the Russian card *alone*. Russia, by obtaining money from France, was even able to act as a political loan giver in the Far East—in China and in Persia. France, as a loan giver, had a hold over Spain and Italy, and as her clients they helped her in Algeciras. France was prepared to extend to the Kossuth ministry loans she refused to Count Kuehn: 'the earnest-money would have been the Triple Alliance'. As a political creditor, Great Britain cemented afresh the British world empire, without fear of pressure on the current value of her Consols. The guaranteed safety afforded colonial state loans in the metropolis enabled, for example, such a half-opened-up new country as Natal to enjoy cheaper credit than long-consolidated, highly respectable Prussia with her gigantic property in railways and state lands. This credit nexus is a 'bond of interests', stronger, perhaps, than Chamberlain's preferential tariffs would ever have been. Going beyond the imperial connections, the British creditor keeps Japan in political vassalage, Argentina in colonial dependence, and Portugal in unconcealed debt bondage. The governors of Portuguese Africa, for all their gold braid, are British puppets" (165)....

..."The total [of German capital in Russia] is estimated at 3,000,000,000. The preference shown by our banks for this greatest of all

the debtors in world history is understandable if one bears in mind the high bank profits from Russian securities" (166). N.B.

"There can be no doubt, that, in their efforts for political and economic independence, the semi-civilised countries not yet allotted as colonies cannot receive from any European power such unselfish support as from Germany. China, Persia and Turkey know that Germany has no territorial claims" (167). gem!!! gem!!

..."Conditions within a country that are inimical to freedom are an obstacle also to world political thought penetrating deeply into the soul of a people. How far we are from the slogan 'imperium *et* libertas', to which the Anglo-Saxons, from Cromwell to Rhodes, owe their greatest successes!" (168) {imperialism and democracy[9]} gem! (and N.B.)

the bribing of *wide* sections of the petty bourgeoisie and of the upper strata of the proletariat is more subtle, more cunning

"The German banks abroad everywhere encountered the competition of the long-established British 'foreign banks', which even today far surpass them in volume of business and size of share capital" (173)....

..."All the more soberly, therefore, must we regard the fact that we have arrived late on the scene. The activity of the German foreign banks can be likened to the highly promising steps of an eager youth from whom the greater part of the world has been barred by its fortunate possessor. Hardly a *single* German banking establishment is to be found in the British Empire, to say nothing of the French and Russian empires, and yet it is claimed that the Britisher rules the world in the interests of *all*. The future of German foreign gem!

N.B. banking depends largely on solving a *political problem*: keeping of an open door to the still uncolonised countries, rebirth of the Moslem world, creation of a German colonial empire in Africa"... (174).

The second part of the book, the work of *Jaffé*, is a dry-as-dust survey of Anglo-American and French banking. Nil.

Section VI of *Principles of Social Economics*. "*Industry, Mining, Building*." Tübingen, 914.
Many source references (cf. **p. 37***).
For statistical data on big industry see ruled notebook.**

Copy from the **book**: pp. *34* and *143*, industry in 1882 and 1907

N.B. From the article by *M. R. Weyermann*: "Modern Industrial Technique."
quotes **K. Rathenau**'s book, *The Effect of Increased Capital and Output on Production Costs in German Engineering Industry*, 1906.

(pumps)

	Pump models		
Approximately 50% output increase	*A*	*B*	*C*
	197	880	1,593 marks
	162	738	1,345

Typewriters (p. 157)

Number produced	100	Price=200	marks
" "	500	"	160
" "	1,000	"	140
" "	2,000	"	125

* See pp. 50-51 of this volume.—*Ed.*
** This refers to Notebook "μ". See pp. 464-65 or this volume.—*Ed.*

Issues of German industrial shares {according to the *Frankfurter Zeitung* and the *Dictionary of Political Science*} (("New Issues"))

1903—195,300,000	Beginning of boom	boom versus crisis
1904—267,600,000	" " "	
1905—492,500,000	Boom	
1906—624,300,000	Boom peak	
1907—240,200,000	Crisis	
1908—326,700,000	(Beginning of revival)	

According to *Behr*'s data, consumption of footwear in the United States was (p. 175):

1880—2.5 pairs per inhabitant	N.B.
1905—3.12 " " "	

From *Th. Vogelstein*'s article "Financial Organisation of Capitalist Industry and Formation of Monopolies".

"Ten years after May 9, 1873, when, in *Schönlank*'s exaggerated expression, the bells tolled the death of the economic boom and the birth of cartels, Fr. Kleinwächter published his book on cartels" (216). N.B.

From the history of cartels:

"Isolated examples of capitalist monopoly could be cited from the period preceding 1860; in these could be discerned the embryo of the forms that are so common today; but all this undoubtedly represents the prehistory of cartels. The real beginning of modern monopoly goes back, at the earliest, to the sixties. The first important period of development of monopoly commenced with the international industrial depression of the seventies and lasted until the beginning of the nineties" (222). N.B.

"If we examine the question on a European scale, we will find that the development of free competition reached its apex in the sixties N.B.

and seventies. It was then that Britain completed the construction of her old-style capitalist organisation. In Germany, this organisation entered into a fierce struggle with handicraft and domestic industry, and began to create for itself its own forms of existence" (ibidem).

"The great revolution commenced with the crash of 1873, or rather, the depression which followed it and which—with hardly discernible interruptions in the early eighties, and an unusually violent but short-lived boom about 1889—occupies twenty-two years of European economic history" (222)....

..."During the short boom of 1889-90, the system of cartels was widely resorted to in order to take advantage of favourable business conditions. An ill-considered policy sent prices soaring more rapidly and steeply than would have been the case if there had been no cartels, and nearly all these cartels ended ingloriously in the 'grave of bankruptcy'. Another five-year period of bad trade and low prices followed, but a new spirit reigned in industry. The depression was no longer regarded as something to be taken for granted; it was regarded merely as a pause before another boom.

second epoch of cartels

"The cartel movement entered its second epoch: from a transitory phenomenon, the cartels became one of the foundations of economic life. They were winning one industry after another, primarily, the industries processing raw materials. By the early nineties the cartel system had already acquired—in the organisation of the coke syndicate, on the model of which the coal syndicate was later formed—a cartel technique which has hardly been improved on. For the first time the great boom at the close of the nineteenth century and the crisis of 1900-03 occurred entirely—in the mining and iron industries at least—within a cartel economy. And while at that time it appeared to be something novel, now the general public takes it for granted that large spheres of economic life have been, as a general

N.B.

rule, removed from the realm of free competition" (224)....*

Forms of cartels:

a) Cartels fixing sales conditions (terms, time limits, payment, etc....)
b) Cartels fixing the sales areas
c) Cartels fixing output quotas
d) Cartels fixing prices
e) Cartels fixing distribution of profit

Syndicate—single sales office (Verkaufsstelle)
Trust—*ownership* of all enterprises

sole and absolute power

Consult *Kondt*
Lindenberg
Sayous
Steller
Stillich
Warschauer
Weber

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* See present edition, Vol. 22, pp. 200-02.—*Ed.*

NOTEBOOK "β"
("BETA")

Contents

Notebook β. *Pp.* **1-106** (108)

* See present edition, Vol. 38, pp. 388-91.—*Ed.*

β) Тетрадь β XI

Содержание:

Стр. 1–108 (108)

(107) (107)

См. оборот

Page 107 of Notebook “β” (“Beta”)

Wallich, Concentration of German Banks.
68-69. *Zollinger* (international balance-sheet) and *Neymarck*.
70-74. *Taylor* (*Shop Management*).
74-75. *Seubert*, *The Taylor System in Practice*.
76-77. *Gilbreth*, *Motion Study*.
78-90. *Jeidels*, *Relation of the Big Banks to Industry*.
91. *Stillich* and *World Economy* (Halle). A note.
92-103. *Die Bank*, examined thoroughly, *except 1908* and 1915.

× N.B. *103* notes
N.B. ((on finance capital in general))

104. *Tschierschky*
105-106 + 0 **turnover** + *108*. (N.B.) *Heymann*

× 0 *turnover*
N.B. on the question of imperialism

Source references: 1. 10. 16. 17. 40. 91. 98 (French).

DIETZEL, SCHUMPETER, VOGELSTEIN

Zurich Cantonal Library.
Dr. **Heinrich Dietzel**, *World Economy and National Economy*, Dresden, 1900. (= *Jahrbuch der Gehe-Stiftung*, Vol. V.)
{{Nothing of interest. Examination revealed merely polemic against autarchy *in favour of* world economy. Nil. ("Nationalisation".)}}

Dr. Joseph Schumpeter, *Theory of Economic Development*, Leipzig, 1912.
((Also *nil*. Deceptive title. Examination revealed something in the nature of "sociological" chatter. Might have to consult again, but on the subject of development nil)).

Theodor Vogelstein, *Organisational Forms of the Iron and Textile Industries in Great Britain and America*, Leipzig, 1910.

This is the *first* volume, in which the historical part, of little interest, and an *enumeration* of facts, predominate.

See brief extracts from Vogelstein in another notebook.*

Franck, *Changes in the Agriculture of Württemberg*. Thesis, 1902.

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Goetz Briefs, *The Alcohol Cartel*, Karlsruhe, 1912 (No. 7 of *Baden Higher School Economic Studies*),

Kurt Goldschmidt, *Concentration in the German Coal Industry*, Karlsruhe, 1912.

Julius Wolf, *National Economy of the Present and Future*, Leipzig, 1912. Nil.

J. Lewin, *The Present Position of Joint-Stock Banks in Russia* (*1900-10*), Freiburg in Breissgau, 1912. (Thesis.)

K. Dove, *Economic Geography*, Leipzig, 1911.

" " *Economic Geography of the German Colonies*, 1902.

Kurt Schwabe, *In the German Diamond Country*, Berlin, 1910. (South Africa and the German colonial economy.)

Rud. Lenz, *The Copper Market under the Influence of Syndicates and Trusts*, Berlin, 1910.

Léon Barety, *Concentration of French Provincial Banks*, Paris, 1910. (The articles appeared in *Annales des sciences politiques*.)

N.B.

Gustav Ruhland, *Selected Articles*, 1910 (published by the Farmers Union. Against plutocracy in Germany!!).

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* See pp. 71-73 of this volume.—*Ed*.

A. G. Raunig, *Equilibrium Between Agriculture and Industry*, Vienna, 1910.

Dr. Walter *Kundt*, *The Future of Our Oversees Trade*, Berlin, 1904. Nil. Chatter.

EXTRACTS FROM *DIE BANK*

Die Bank. *A Monthly Journal of Finance and Banking* (Publisher: Alfred *Lansburgh*), 1914, 2nd (half-year), p. 1042.

Imports and exports in million pounds sterling, from data of the Board of Trade (London):

(*7 months 1/I-1/VIII)	(First) *Half-year*					
	Imports			*Exports*		
	1912	1913	1914	1912	1913	1914
Great Britain	296.1	319.7	375.9	225.3	257.1	255.4
Germany	260.6	267.0	269.3	205.4	243.1	249.2
U.S.A.*.	215.3	212.2	237.7	255.6	271.8	245.7
France*.	192.2	196.4	198.6	149.0	156.4	153.8

(Ibidem, p. 713). Note on "*Banks and the Post Office*". The boundary between the banks and the savings banks "is being increasingly obliterated". Hence *complaints* by the banks. The *Erfurt* Chamber of Commerce speaks *in favour of* the banks *against* the "recent intervention of the post office in currency circulation" (in the form of the "issue of postal letters of credit"). The editors remark that postal letters of credit operate only within the German Empire, whereas bank letters of credit serve mainly persons going abroad, and "after all, the public exists not only for the sake of the banks" (714).

banks and the post office

this "not only" is magnificent!!!)

* Figures for the countries marked by an asterisk refer to January-July, the others, January-June.—*Ed*.

From the article "Thoughts on the Thousand Million Loan", p. 932: "A subscriber to the loan possesses liquid assets, but mostly in the form not of cash, but of a bank account or a savings bank, association, etc. deposit. In Germany these institutions control, in round figures, 35,000 million marks of such liquid assets, about half of which are at the immediate disposal of their owners, while the other half are available to them after preliminary notification—mostly after a month" (933).

What is involved is the *transfer* of ownership from private persons' accounts to the state's account (and vice versa in paying suppliers, etc.).

The credit institutions as a whole dispose of "not more than 500 million marks", on the basis of "their total cash and deposits in the State Bank" (933).

In 1871, France paid 5,000 million in such a way that only 742.3 million was paid in gold, silver and banknotes, the remainder (4,248.3 million) being in *bills*. (France recovered so rapidly in 1870–71 because she did not tamper with her currency and made no excessive issue of "uncovered banknotes".)

p. 903 et seq.: "*The Ousting of London as the World's Clearing House*" by *Alfred Lansburgh*.

A very good article, explaining the causes of Britain's power. The chief cause: "the absolute predominance of British trade and currency circulation over the trade of all other countries" (909). It exceeds German trade "by 50 per cent in round figures" (ibidem). In addition, there is the trade with the colonies!!

N.B. || "***Britain accounts for three-quarters of world trade***" (910).

"This means that three-quarters of all international payments pass directly or indirectly through Great Britain" (910).

"Sterling accounts" "predominate" also in *Japan*, China, Chile, Peru, South Persia, "the greater part of Turkey (910).—"Knowledge of English is widespread in commercial circles" (910).

Furthermore, Britain *finances* this trade of the whole world

(the lowest rate of interest; the most stable gold currency; one pound sterling = 7⅓ grams of *g o l d*, etc., etc.).

Great Britain's "vast" monetary resources, her *6 0* colonial banks (911), etc., etc.

The maxim of a bank director (the Bank of Brazil), *Kämmerer* (a German):

(913) "The first essential for opening an overseas banking establishment is credit, an accepting banker in London." || N.B.! ||

p. 912, note: "Regarding the difficulties encountered by German overseas banks in introducing bills of exchange in marks in South America, cf. Jaffé, *British Banks*, second edition, 98-101, *Frankfurter Zeitung*, August 29, 1914; *Hamburger Nachrichten*, September 15, 1914" (I omit other quotations).

"For every country adopting a currency based on gold and holding, as occurs almost everywhere, a large portfolio of British bills of exchange in place of gold, not only subordinates a greater part of its international payments to the London Clearing House, but thereby also immediately assists the consolidation of British world financial power. The continual holding of a large portfolio of British bills of exchange means, in practice, that the country in question puts considerable resources at London's disposal, which for its part London can, and does, use to further finance the foreign trade of other countries and in this way strengthen its own sterling currency and its own clearing function. Thus, owing to the gold value of the pound sterling, Great Britain is always able to put at the service of her credit system, besides her own large capital assets, also several thousand million marks of foreign money" (913-14).

To deprive Britain of this role requires "huge financial resources and a low rate of interest" (916)... "And one must be in a position not only to pay out vast sums of money, but also to guarantee the absolute stability of the currency that is to replace the British, that is, one must be prepared at any time to pay in gold."

Hence, the term "utopian" is applied to the plan of the National City Bank (Morgan's Bank)[10] or the Swiss banks,

"which believe that a little good will is quite sufficient to wrest from London the international clearing accounts, or a considerable part of them. That is indeed a highly desirable aim, but it cannot be achieved until some other country can put at the service of world trade the amount of credit, the complex of commercial, banking and interest advantages, and the reliable currency foundation, which, prior to the outbreak of the war at least, Britain put at the disposal of world trade" (920)....

(1914, *November* and *December*.) "The Covering of War Costs and Its Sources", an article by *Alfred Lansburgh*.

Quotes Lloyd George as saying (in September 1914): "In my judgement, the last few hundred millions may win this war. This is my opinion. The first hundred millions our enemies can stand just as well as we can, but the last they cannot, thank God..." (p. 998).

Says Lloyd George is mistaken. There are four sources for covering war costs: (1) "First degree" reserves = cash (France and Russia have more than Germany, but Britain less. Here Germany is weaker). (2) "Second degree" reserves: short-term debt claims in world trade (Britain is much stronger: "Whereas Britain is the world's *banker* and keeps her money liquid, France is the world's *financier* and invests her money") (1001). (3) Net income from the country's production + (4) part of gross income devoted to depreciation (or accumulation). Here, he says, we are not weaker.

In this connection, however, Lansburgh is counting on *exports* which though secret ("hidden"), will not disappear.

Our (Germany's) low discount rate proves (December 1914!!!), he says, that exports are inadequate, do not correspond to "our expenditure abroad" (1103).

N.B. Cf. p. 1112: "Only when exports suffice fully to cover imports and war expenditure abroad will the national economy be really on a war footing."

1914, 1 (May). "**The Bank with 300 Million**", an article by A. Lansburgh.

The Discontogesellschaft swallowed up the *Schaaffhausenscher Bankverein* and increased its *share capital* to *300 million* marks (p. 415).*

"Thus for the first time a really big German bank has become a victim of the concentration process" (415).

The *Deutsche Bank* increased its capital to *250*,000,000 marks. The *Discontogesellschaft* replied to this by a "merger" with the Schaaffhausenscher Bankverein and increased its capital to *300*,000,000.**

"With a capital of 300,000,000 marks, it becomes, for the time being, the biggest bank not only in Germany, but in the world" (422).

The "struggle for hegemony", which had seemed decided in favour of the *Deutsche Bank*, now flared up afresh:

"Other banks will follow this same path ... and the three hundred men, who today govern Germany economically, will gradually be reduced to fifty, twenty-five, or still fewer. It cannot be expected that this latest move towards concentration will be confined to banking. The close relations that exist between individual banks naturally lead to the bringing together of the industrial syndicates these banks favour. This, and business fluctuations, will lead to still more mergers, and one fine morning we shall wake up in surprise to see nothing but trusts before our eyes, and to find ourselves faced with the necessity of substituting state monopolies for private monopolies. However, we have nothing to reproach ourselves with, except that we have allowed things to follow their own course, slightly accelerated by the manipulation of *stocks*" (426).*** (End of article.)

N.B.

N.B.

"**SUBSIDIARY COMPANIES**", an article by *Ludwig Eschwege*, p. 544 et seq. (May 1914).

Early in 1912, the *big banks* (yielding to the pressure of the State Bank) introduced a *new* type of balance-sheet.

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* See present edition, Vol. 22, p. 215—*Ed.*

** Ibid.—*Ed.*

*** Ibid.—*Ed.*

But **thousands** of *joint-stock companies* continue to publish brief ("knappe") balance-sheets, not going beyond the requirements of the law—the brevity of the balance-sheet being alleged to be a guarantee against speculation!!! In fact, however:

"In reality, what is achieved by this [the "brevity of balance-sheet"] is merely that a few better-informed persons are able to enrich themselves *at the expense of the mass of shareholders*, especially if brevity is combined with a subtle system of misleading headings to make important data invisible to the ordinary shareholder. This gives the directors and their good friends a double advantage: being sole possessors of all information, they can benefit from a rise in market values in favourable situations, and escape anticipated losses by a timely sale of shares in unfavourable ones.

good example!

"Thus, for example, the *Spring-Steel Company of Kassel* was regarded some years ago as being one of the most profitable enterprises in Germany. Through bad management its dividends fell in a few years from 15 per cent to nil. It appears that the Board, without consulting the shareholders, had loaned six million marks to one of its 'subsidiary companies', the *Hassia* Company, which had a nominal capital of only some hundreds of thousands of marks. This commitment, amounting to nearly treble the capital of the 'parent company', was never mentioned in its balance-sheet; this omission was quite legal and could be hushed up for two whole years because it did not violate any point of company law. The chairman of the Supervisory Board, who as the responsible head had signed the false balance-sheets, was, and still is, the president of the Kassel Chamber of Commerce. The shareholders learned of the Hassia loan only much later, after it had been proved to be a mistake and when Spring-Steel shares dropped nearly 100 per cent, because those in the know were getting rid

!!!

of them. It was only then that the item in question was made evident by a change in the method of drawing up the balance-sheet. This typical example of balance-sheet juggle-ry, quite common in joint-stock companies, explains why their Boards of Directors are willing to undertake risky transactions with a far lighter heart than individual business-men. Modern methods of drawing up balance-sheets not only make it possible to conceal the risky deal from the ordinary shareholder, but also allow the main interested parties to escape the consequence of an unsuccessful experiment, by selling their shares in time, whereas the individual businessman risks his own skin in everything he does" (545).... N.B.

"The balance-sheets of many joint-stock companies remind us of the palimpsests of the Middle Ages from which the visible inscription had first to be erased in # order to discover beneath it another inscription giving the real meaning of the document" (545)....

A palimpsest is a parchment from which the original inscription has been erased and then another inscrip-tion imposed. #

..."The simplest and, therefore, most common proce-dure for making balance-sheets indecipherable is to divide a single business into several parts by setting up or attaching 'subsidiary companies'. The advantages of this system for various purposes—legal and illegal—are so evident that today big companies which do not employ it are quite the exception"* (545-46).

This assures "a certain impenetrability of their opera-tions" (ibidem)....

An outstanding example is the *Allgemeine Elektrizitäts Gesellschaft* (with thousands of millions of marks in sub-sidiary companies)....

* See present edition, Vol. 22, pp. 229-30.—*Ed.*

(c.f. 1908. No. 8: "The Rathenau System", *Die Bank* on methods of the *A.E.G.*)

((...Taxation is greater, for special taxes are imposed on them (subsidiary companies); on the other hand, profits are greater, and secrecy is assured!!...))

‖ Author's italics: "Subsidiary companies are an ideal means for compiling objectively false balance-sheets without contravening the provisions of company law" (549).

..."The decisive factor is that the modern system of arranging balance-sheet items makes concealment possible" (ibidem)....

Another example:

The Oberschlesische Eisenindustrie Aktiengesellschaft (pp. 550-51) has in its balance-sheet "holdings" = 5,200,000 marks.

What holdings? The author ascertained privately: 60 per cent are shares of the Gleiwitzer Steinkohlengruben

(and this company has debts of 20,000,000 marks!!)

((End))

Ibidem p. 340 (April) (Berlin big banks, February 28, 1914). Balance-sheets of *Berlin* big banks.

Balance-sheets: February 28, **1914** — eight banks (Deutsche Bank, Discontogesellschaft, Dresdner Bank, Darmstädter Bank, Schaaffhausenscher Bankverein, National Bank für Deutschland, Commerz- und Disconto-Bank + Mitteldeutsche Kreditbank).

Million marks

Share capital	= 1,140.0 mill.	Reserves	= 350.82
Bills, etc.	= 1,956.16 "	Consortium holdings	= 278.29
Debtors	= 3,036.63 "	Long-term holdings	= 286.81
Σ balances	= 8,103.71 "		

Savings banks (1910) (including post office savings banks)[11] (p. 446)

	Million marks		Million marks
Germany	16,780	Denmark	603
Austria	5,333	Luxemburg	49
Hungary	1,870	Sweden	961
Italy	3,378	Norway	570
France	4,488	Spain	340
Great Britain	4,518	Rumania	50
Russia	3,019	Bulgaria	36
Finland	190	U.S.A.	17,087
Switzerland	1,272	Australia	1,213
Holland	464	New Zealand	319
Belgium	830	Japan	662

p. *496*: Criticism of " statistics of issues":

(for the most part these statistics (in the *Frankfurter Zeitung* and *Deutsche Oekonomist* they are largely estimates) are very inexact, giving a maximum and not the reality. The issue of shares can be the transfer of debt into a *different* form. N.B.

{ Cf. *Dr. Hermann Kleiner*, *Statistics of Issues in Germany*, Berlin, *1914*,
and *M. Marx* (*Thesis*), *Statistics of Issues in Germany and Some Foreign States*, Altenburg, *1913*.

1914, 1, p. 316 (article by Lansburgh). "*The Stock Exchange versus the Banks*":

..."The Stock Exchange has long ceased to be the indispensable medium of circulation that it was formerly, when the banks were not yet able to place the bulk of new issues with their clients."* N.B.

(March 1914) pp. 298-99, "*new era of concentration*" (in banking)—in connection with deteriorating business situation, etc.

("The Bergisch-Märkische Bank, this 80--million Rhenish enterprise with its 35 branches, will soon be merged in the Deutsche Bank": 298).

* See present edition, Vol. 22, p. 218.—*Ed.*

"For while merger does not always give strength, it nevertheless conceals from outside many weaknesses and sores" (299)—on the significance of mergers....

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p. 94. "*Bankruptcy statistics*[12]—their significance for an appraisal of the business situation.

(From *Quarterly Reviews of Statistics of the German Reich*) especially "the most serious economic crashes,

N.B. || i.e., cases where, owing to the lack of assets, liquidation proceedings either cannot be begun at all or have to be suspended" (p. 94).

[See the table on p. 87.—*Ed.*]

During this period the number of large towns has increased from 28 to 48 (and their population still more), but the percentage of very big bankruptcies (completed owing to lack of assets) was previously *lower* than the average, but is now *higher*.

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p. 1 (*January 1914*), *from an article* ("*Causes of Crises*") *by Lansburgh*: (N.B. Business situation).

ergo from *1913* || "For about a year now, the German business situation has been noticeably *deteriorating*."

crisis of 1914 || "The period we are passing through reveals many, though not all, characteristic features of a crisis"...

"The most fatal cause of crises ... is progress" ... (11).

Counter-measures? "More effective (than a cartel) is a *trust*, which either deliberately suppresses all inventions and improvements,

N.B. good example!! || or buys them up, as was done, for example, by the big German glass factories in respect of Owens's bottle-working patent, which united into a sort of special-purpose trust to buy what appeared to them an exceedingly dangerous invention" (p. 15).*

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* See present edition, Vol. 22, p. 276.—*Ed.*

My additions according to Riesser		Total bankruptcies in the German Reich						No. of bankruptcies in large towns					
		Declared			Completed			Declared			Completed		
		Total	Of which No. rejected	Per cent	Total	Owing to lack of assets	Per cent	Total	Of which No. rejected	Per cent	Total	Owing to lack of assets	Per cent
Start of boom	1895	7,111	680	9.6	6,362	395	6.2	1,823	243	13.3	1,724	104	6.0
	1897	6,997	639	9.1	6,077	381	6.3	1,777	251	14.1	1,466	92	6.3
Business situation good	1899	7,742		8.8									
Crisis	1901	10,569		10.9									
	1903	9,627		15.1									
Revival	1905	9,357		17.6									
American crisis	1907	9,855		17.8									
	1908	11,571		19.0									
	1909	11,005		21.6									
	1910	10,783		22.2									
"Prosperity"[1]) {	1911	11,031	2,351	21.3	8,092	682	8.4	3,603	1,238	34.3	2,325	220	9.5
	1912	12,094	2,885	23.9	8,356	784	9.4	4,060	1,563	38.5	2,395	241	10.1

[1]) *Die Bank*, 1914, p. 5 (January 1914).

good example!

"*Transport Trust*", a note in *Die Bank*, 1914, 1, p. 89.

The formation is expected (perhaps in the near future) of a Berlin "transport trust", i.e., an interest-community of the three Berlin transport companies—the elevated railway, tramway, and omnibus companies. We have been aware that this plan was contemplated ever since it became known that the majority of shares in the omnibus company had been acquired by the other two transport companies.... We may fully believe those who are pursuing this aim when they say that by uniting the transport services they will have economies, part of which will in time benefit the public. But the question is complicated by the fact that behind the transport trust that is being formed are the banks, which,

!!

if they desire, can subordinate the means of transportation, which they have monopolised, to the interests of their real estate business. To be convinced of the reasonableness of such a conjecture, we need only recall that the interests of the big bank that encouraged the formation of the Elevated Railway Company were already involved at the time the company was formed. Indeed, the interests

N.B.

of this transport undertaking were interlocked with the real estate interests and so an essential prerequisite for the foundation of the transport company was created. The point is that the eastern line of this railway was to run across land which, when it became

!!

certain that the railway was to be constructed, this bank sold at an enormous profit for itself and some persons associated with it in the land company at the Schönhauser Allee railway station.* For it is common knowledge that land development, and the

* See present edition, Vol. 22, pp. 236-37.—*Ed.*

resultant rise in land prices, is best achieved by means of new transport routes." (There follows yet another example: no less than *eleven lines* already run to the Tempelhof area. Too many? The reason: many directors and members of Supervisory Boards live there!!! p. 90.)... "A transport monopoly involves a real estate monopoly...." N.B.

"*The Oil Comedy*", *Die Bank*, 1913, No. 4 (p. 388).

Excellent note, reveals the *essence* of the struggle for monopoly of oil in Germany.

Before 1907. "Until 1907 the Deutsche Bank oil concern was engaged in a sharp conflict with the Standard Oil Company" (389). The outcome was clear: defeat of the Deutsche Bank. In 1907, two courses were open to it: either liquidate its "oil interests" and lose millions, or submit. It chose the latter and concluded an *agreement* with Standard Oil ("not very advantageous" to the Deutsche Bank). The Deutsche Bankundertook "not to attempt anything which might injure American interests", but... the agreement would cease to operate with legislation establishing a German oil monopoly. N.B.: Struggle of the Deutsche Bank against Standard Oil Company

And then *Herr von Gwinner* (a Deutsche Bank director), through *his* (private) *secretary* (Stauss) (*Die Bank*, 1912, 2, p. 1034), launched a campaign *for* a state oil monopoly!! The entire machinery of the big bank was set in motion ... but there was a snag. The government (though it had already drafted a bill and put it before the Reichstag) feared that, without Standard Oil, *Germany would not be able to obtain oil.*

See 1913, p. 736 et seq.

The war preparations bill (July 3, 1913) came to the rescue—the oil bill had to be

postponed. Standard Oil won, for the monopoly (for the time being) did not eventuate.*

N.B. The struggle of the *Deutsche Bank* and *Germany* against the *Standard Oil Company*.

Die Bank, 1913, No. 8 (August).

Alfred *Lansburgh*, "**Five Years of German Banking**".

Growth of Concentration:

Deposits (of all banks with a capital > *one* million marks)

1907-08 — 6,988 million marks
1912-13 — 9,806 " "

+2,800 million +40%

9 Berlin big banks
48 banks with > 10 million marks capital
57
+115 banks with > one million marks capital

Deposits of the 57 big banks increased by 2,750 million marks.

Increase in 5 years (million marks)

	Deposits	Capital	Reserves
All banks with > *1* mill. capital	+2,818	+390	+148
57 banks with > *10* " "	+2,750	+435	+153

The small banks show an absolute decrease: mergers, etc.

Percentage of total deposits (p. 728)

N.B.

	Berlin big banks (9)	Other banks with > 10 mill. marks capital (48)	Banks with 1-10 mill. marks (115)	Banks with < one mill. marks capital
1907-08	47	32.5	16.5	4 || 100
1910-11	49	33.5	14	3½ || 100
1912-13	49	36	12	3 || 100**

* See present edition, Vol. 22, pp. 249-50.—*Ed.*
** Ibid., p. 211.—*Ed.*

1913, No. 7, p. 628 et seq.

"*The State and Foreign Loans*" (Alfred Lansburgh).

The German government has forbidden foreign loans? What impels the banks towards that policy? The fact that they are already "*bogged*" (Mexico, China, Turkey, etc., threaten to go bankrupt).

What induced the banks to grant loans to *such* states in the first place? Profit!

..."There is not a single business of this type within the country that brings in profits even approximately equal to those obtained from the flotation of foreign loans" (630)...*

N.B. important

a difference of up to 7-8 per cent between the subscription price and the bank's price; different conditions, for example, a deposit—six months' interest as "guarantee", etc., etc.

concerning the question of imperialism!!

Then "high politics" (France and Germany especially—grant loans in order to acquire allies, etc.).

The dependence of France on Russia ("a one per cent decline in Russian securities costs France 100 million. The mere threat by Russia to stop interest payments means more to her main creditor than the loss of an army corps"—p. 633). well put!

With such loans "it is not clear who is dancing and who calls the tune", ibidem. well put!

Mexico (p. 628) defaulted more than once (without complete bankruptcy), but is granted loans, for otherwise worse is threatened!!

"***Rivalry over Foreign Loans***" (1913, No. 10, p. 1024 et seq. Editorial note).

"A comedy worthy of the pen of Aristophanes is lately being played on the international capital

* Ibid., p. 234.—*Ed.*

market. Numerous foreign countries, from Spain to the Balkan states, from Russia to Argentina, Brazil and China, are openly or secretly coming into the big money markets with demands, sometimes very persistent, for loans. The money markets are not very bright at the moment and the political outlook is not promising. But not a single money market dares to refuse a loan for fear that its neighbour may forestall it, consent to grant a loan and so secure some reciprocal service. In these international transactions the creditor always manages to secure some extra benefit: a favourable clause in a commercial treaty, a coaling station, a contract to construct a harbour, a fat concession, or an order for guns..." (1025).*

"benefits"

N.B.

the "benefits" of imperialism—important in examining the question of monopoly and finance capital

1913, **August**, **p. 811**, note on "**Savings Banks and the Banks**"....

..."The keen rivalry between the savings banks and the banks, which flared up some years ago because each of these so dissimilar organisations is endeavouring to go beyond its own field of activity and penetrate that of the other, continues to occupy the attention of our Chambers of Commerce." The *Bochum* Chamber of Commerce demands, for example, that measures be taken against the savings banks, including that they be prohibited from discounting bills, dealing with current accounts, etc. (but allowing them "safes", cheques and endorsement).**

Same subject: "Banking Activity of Savings Banks" (p. 1022 et seq.)

The savings banks are being turned into institutions for the rich: in Prussia in

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* See present edition, Vol. 22, p. 244.—*Ed.*

** Ibid., p. 217.—*Ed.*

1909, out of 10,300 million marks of deposits, 4,780 million 46⅓ per cent consisted of deposits > 3,000 marks (15 per cent of deposits > 10,000 marks). Wealthy depositors often have more than one book. Savings banks engage in risky operations (bills, mortgages, etc.) under the spur of competition (4 or 4¼ per cent has to be paid!!). There is a proposal to "ban" this....

!! they want to go "back" to small capitalism (and not towards socialism)

An article "The Swamp" (L. Eschwege) (1913, p. 952 et seq.) on the swindles of speculators in real estate (plots sold at exorbitant prices, builders going bankrupt, workers not paid and ruined, etc. etc.). Attempts by Haberland, head of the gang, to monopolise the "information bureaus", i.e., monopolise all building work. The concluding words are typical:

"Unfortunately, the inevitable course of modern civilisation apparently leads to the economic productive forces falling more and more into the hands of powerful individuals who use them in a monopolistic way. The economic liberty guaranteed by the German Constitution has become, in many departments of economic life, a meaningless phrase. Under such circumstances, an incorruptible bureaucracy, conscious of its responsibility, is the granite rock that can save the public good from the encroaching flood of avarice. If this rock should crumble, even the widest political liberty cannot save us from being converted into a nation of unfree people,* in which case even the monarchy would have merely a decorative significance" (p. 962).

ha-ha!

only "would have"???

N.B. The author has a book entitled *Land and Mortgage Problems*, 1913 (2 vols.) N.B.

* Ibid., p. 238.—*Ed.*

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? Leopold *Joseph*, *The Evolution of German Banking*, London, 1913. Perhaps a rehash of Riesser? Or not?

Erh. *Hübener*, *The German Iron Industry*, 1913 (5.60 marks) (14th volume of "Higher Commercial School Library").

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SECURITY STATISTICS

"International *Statistics of Securities and Stock Issues*" by Mr. Zimmermann, *Bank Archiv*, 1912, July 1.

Statistics of "transferable securities", according to International Statistical Institute *Bulletins* (Alfred Neymarck).

In ***francs*** (000 million francs)

January 1, 1897—446,300 million.

1897—*inexact* (p. 301) *1901*—corrected

	January 1, 1897		January 1, 1901		January 1, 1907	(p. 302)
Great Britain	182.6	——	215	———	125-130	(*actually* existing securities)
Holland——	13.6	——	15			
Belgium	6.1	——	8			
Germany	92.0	——	80	———	60-75	
Austria-Hungary	24.5	——	30	———	20-22	
Italy	17.5	——	17	———	10-12	
Rumania	1.2	——	1.5			
Norway	0.7	——	1.0			
Denmark——	2.7	——	2.2			
France—	80.0	——	135	———	95-100	
Russia	25.4	——	35	———	20-25	
Spain		——	10			
Switzerland——	——	——	8			
Sweden and others	——	——	5			
	Σ = 446.3		Σ = 562.7			

United States of America	110-115
Japan	5
Other countries	30-35

000 million

1897—446.3
1899—460
1901—562.7 (342.4)
1907—732 (475-514)
1911—815 (570-600)[13]

The figures in brackets = an attempt to deduct overlapping and repetitions (about ⅓ of the previous figure) (p. 301) ("securities actually existing in trade or in the possession of individual states").

See p. *68* of this *notebook*.*

Neymarck, Vol. XIX, No. II, p. 206

Totals for entire five-year periods:	(p. 317) Issues 000 million francs
1871-75 —	45.0
1876-80 —	31.1
1881-85 —	24.1
1886-90 —	40.4
1891-95 —	40.4
1896-1900 —	60.0
1901-05 —	83.7
1906-10 —	114.1***

see pp. *68-69* here**

* See p. 147 of this volume.—*Ed.*
** See pp. 147-49 of this volume.—*Ed.*
*** See present edition, Vol. 22, p. 239.—*Ed.*

GRUNZEL, *THE BALANCE OF TRADE, PAYMENTS, AND OF THE ECONOMY*

Professor Dr. Joseph *Grunzel*, *The Balance of Trade, Payments, and of the Economy*, **Vienna, 1914.**

N.B. *pp. 26-29*: Short summary of data (mostly generally known) on export of *capital*, etc.

Foreign capital:

In Austria-Hungary:	9,809 million kronen	(incl. 4,653 German and 3,270 French)
Argentina	9,000 million mark	
China	3,737 " "	(national debt; in railways > *50* million *pounds sterling*, in banks *34*)
Japan	1,765 million yen	(this is national debt; 33 million yen in enterprises)
Canada	1,750 million dollars	(incl. 1,050 British, 500 American)
Mexico	1,000 million dollars	American + 700 British

SCHILDER, FIRST VOLUME OF *DEVELOPMENT TRENDS IN THE WORLD ECONOMY*

Dr. Sigmund Schilder, *Development Trends in the World Economy*, Vol. I, Berlin, 1912. (Vol. I: *Planned?! Influences on the World Economy*.)

The title is too sweeping, the subtitle plainly fraudulent, for the author has specialised in tariff policy = there you have his planned influence!!

The author is secretary of a trade museum.

p. 4—Disagrees with Sombart (with his theory of declining "export quota"). Says this "quota" is *increasing*.

p. 6. An apparent weakening of protectionism ("signs of this"), 1910-11.

p. 6—"Unrest caused by high prices" in France in August and September 1911. *Dates* (*N.B.*): Vienna, September 17, 1911.

27-28. Agriculture **too, is developing** (not only industry), "even" ("sogar") (p. 28, line 8 from below): "in European industrial countries". (This "even" is a gem!)

N.B.: approach *to* the problem of equilibrium—is "world agricultural purchasing power" sufficient? p. 27.)

28-29. The development of agricultural associations (even *India* has 3,498 with 231,000 members, according to *The Times*, July 27, 1911).

Especially rapid development of agriculture in the *United States*.

In the 20th century one can expect the same in *Rhodesia*,

30: Canada, Sudan (Egyptian), Mesopotamia.

31—Governments develop agriculture in the colonies "to obtain buyers of industrial goods". (In India (until recently), and in Egypt, with this aim in view, Britain has *artificially* "hampered" the development of industry.)

35-36—Fear of a shortage of agricultural products is unfounded. Tropics and subtropics N.B. *Philippines*. Only 3-5 million acres are cultivated out of 74 million. (Population is 27 per square kilometre.)

38: "Though it may sound paradoxical to some, the growth of the urban and industrial population in the more or less near future is more likely to be hindered by a shortage of industrial raw materials than by a shortage of food." ‖ N.B.

A shortage of *timber*: it becomes steadily dearer; idem *leather*; idem textile raw materials (39).

"Associations of manufacturers are making efforts to create an equilibrium between agriculture and industry in the whole of *world economy*; as an example of this we might mention the International Federation of Cotton Spinners' Associations in several of the most important industrial countries, founded in 1904, and the European Federation of *Flax Spinners*' Associations, founded on this model in 1910" (42).* ‖‖ N.B. date! ‖ N.B.

* See present edition, Vol. 22, p. 261.—*Ed.*

Within the countries—an agreement between the growers of *sugar beet* and the manufacturers.

"Eastern Europe" (an economic and political concept....)

The agricultural crisis, the drop in prices from the *seventies* to the *nineties* of the nineteenth century. Caused by American competition? + the impoverished position of the farmer in "*Eastern Europe*" and India (cf. Engels).

well said!

(43-44) "Thanks alone to the agricultural co-operatives combined with better educational facilities in the countryside, the letter of the law on emancipation of the peasants became a real fact."

47: The peasant revolt in Rumania in 1907 (spring) played a role, similar to that of the 1905-07 revolution in Russia, in improving the peasants' position.

N.B.

51: Only in *New Zealand* (from the early 1890s) has "Henry George's theory,[14] that of British land nationalisation", been applied "**in practice**" (population consists mostly of small-landowner families).... In Australia, from *1910*, "a similar course"....

cartels 1882-1912

63: The role of *cartels* (dumping and the struggle against free-trade countries) "during approximately the last three decades"....

The argument of English protectionists. N.B.

[N.B.: This caused the protectionist trend in *Great Britain*, *Belgium* and *Holland*: 67.]

66: The *Brussels* sugar convention (March 5, 1902; renewed August 28, 1907) put an end to the unification of government and *cartel* export subsidies (for sugar).

N.B.

72. Extreme protectionism resembles free trade in that, by making sales within the country more difficult (high prices), it stimulates *foreign* trade (imports (a) of cheap raw materials, etc.) (selling (b) abroad, for its own population grows poorer).

87—It is not true that "trade agreements" have proved "bankrupt".

writing on questions of *tariff* policy, the author adduces a host of unnecessary and boring details; I omit them.

98—Examples of trade agreements: an agrarian country needs cheap machinery (and its customers need cheap grain): the Bulgarian tariff of March 6-19, 1911—Austria's agreement with Germany (1905) (chemicals; artificial indigo, etc.).

(99)—reciprocal concessions (Germany's trade agreement with Portugal, November 30, 1908), etc.

Subtitle of Chapter IV, "Tariff Wars":

118—"Examples of the considerably useful impact of specific tariff, wars in promoting international trade" ... Russo-German war of 1893-94,—Franco-Swiss war of 1893-95.

Those of Switzerland and Spain in 1906 (from June to September 1, 1906) (they led to a *lowering* of tariffs).

	Ended in agreements
Austria—Rumania (1886-94)	:1909
Austria—Serbia (1906-10)	:1910

127. { Tariff wars are becoming rarer, giving way to threats, negotiations, etc.

145. British free trade has been based *both* on her *military* might (the navy) and colonies.

True, an attitude of indifference to maintaining and increasing colonial possessions prevailed in Britain up to 1860s (in 1864, she even gave Greece the *Ionian Islands gratis*, without political or *economic* compensation).

146-48: Intensified acquisition of colonies by Britain began in the *eighties*. ((Cf. *Hobson*.)) About ⅓ of Britain's total exports goes to her colonies; no small amount and *N.B.*: *this* export is "especially profitable"

N.B. (149) owing to: (1) investment of *capital* in the colonies
(2) "*contracts*" ("public contracts") (*very* important!!)
(3) "Colonial preferential tariffs for British manufactures": (in the **majority** of the colonies)

151: state power (concessions, municipal and state institutions, etc.) and *trust* likewise important for capital investments: in this respect

(among the factors of "imperialism")

N.B. 151—"Of service to the British" (facilitating investment) "is the legend, assiduously cultivated by ruling circles of the British Empire and by the British press, in spite of Ireland and of certain measures in India, Egypt, etc.—the legend of the special *liberalism* and *humanity* which are alleged to be characteristic of the British regime at all times and in all places." (Written in 1912.)

154: "Inter-colonial preferential tariffs" are widely applied also in the British colonies.

(((N.B.: a step towards a customs union of the whole empire. *My addition*.)))

Britain's *virtual* protectorate over *Portugal*, and partly over Spain (1901-10) ... *Norway* (from 1905) ... *Siam* (the 1860s up to 1904; in 1904 a treaty with France; their *joint* protectorate)....

"More interesting and perhaps even more significant than the examples so far mentioned [Egypt, Zanzibar...], where subtropical or tropical semi-civilised countries, after relatively short transitional stages of some few decades, have become or appear to be becoming real British colonies, are a number of other cases. These are cases where for a long time, decades or even centuries, a *country with a European civilisation* may virtually be a British protectorate, without, at least formally, being deprived of any external mark of full sovereignty.

"*Portugal* is the best known and outstanding example. Since the war of the Spanish Succession (1700-14) Great

Britain has almost continuously used her navy, and on occasion her army, to defend Portugal's European or overseas possessions from attacks or claims by Spain, France, etc. Conflicts between Britain, the protector, and Portugal, the protected, were accidental and, to a certain extent, family quarrels ... as, for example, the British ultimatum of January 11, 1890, against Portugal's attempts to land-link her western and eastern colonies in Africa.

"At any rate, only British support enables Portugal to maintain her possessions—which, though not large, are nevertheless important for such a small country—on the west coast of India, in South China (Macao) and on Timor, in face of the intense international political rivalry in southern and eastern Asia. In Portuguese East Africa a kind of customs union with British South Africa has even been added to Britain's political protectorate over Portugal" (treaty of December 18, 1901).... "And it has so far proved economically highly profitable for Portuguese East Africa. It is also a valuable acquisition, now and for the future, for British South Africa and, therefore, for Great Britain.

"This virtual protectorate of Great Britain over Portugal during its more than two hundred years' existence has proved extremely useful to British trade and shipping [the 1703 treaty with Portugal]....

"However, ever since Great Britain adopted peaceful free trade, she has been able through diplomatic action to influence the Portuguese customs tariff in a way hardly to be achieved by any other country, even by the offer of commercial privileges or the threat of a tariff war. Besides, as the dominating power, Great Britain can make especially wide use of all export and investment opportunities involving Portuguese government concessions" (railways in Portuguese Africa, etc.)....

"And indirectly, again owing to her protectorate over Portugal, Great Britain maintains not only her position in South Africa and her influence in the Congo, but also her maritime supremacy, the firm pillar of her colonial and world-wide political and economic power. For in war or peace, Portugal puts her ports and islands at the disposal of the British fleet for training purposes and as intermediate

shipping stations, allows the use of telegraph cables, etc." (159-61)....*

Bismarck's saying

169—In wartime Britain used the European states as "*excellent infantry*" ("according to Bismarck's description, as the 'silly strong man' of world politics").

170—Britain supported Belgium's separation from Holland (Holland was "cut in half" as a rival) so as not to permit a powerful state near London.

175-76. The struggle (of *Britain* it) against Russia over Persia (long-continued) until the *agreement* of June 9, 1908.

The struggle (of *Britain*) against France over Siam (long-continued) until the *agreement* of April 8, 1904.

178 et seq. "*Four* periods of British world politics" (their designation, p. 184):

1) First Asiatic period (against Russia), approximately 1870-85.
   1870—against Russia's Black Sea rights.
   1885—agreement on frontiers of Afghanistan.
2) African period (against France and in part Portugal and Germany), approximately 1885-1902 (1898 "Fashoda").
   1885—agreement on the Congo: "independence" (Britain wanted to devour it).
   1902—end of the Boer War.
3) Second Asiatic period (against Russia): approximately 1902-05.
   Treaty with Japan, 1902. Russo-Japanese War, 1904-1905.
4) "European" period (against Germany), approximately 1903—("anti-German")**
   1903: friction over the Baghdad railway.

194: The British Empire (with its colonies) accounts for: ">one-quarter of international trade turnover" (reference to Vol. II, appendix IX)

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* See present edition, Vol. 22, pp. 263-64.—*Ed*.
** Ibid., p. 296.—*Ed*.

too small: cf. Lansburgh: ¾*

214. Bukharin's table + Japan? + Portugal (216)—2.18 million sq. kilometres—13 million inhabitants.

220. The outlying regions often have a special (tariff) structure (distances too great even for modern facilities).

— Eastern Siberia in Russia
— Philippines in America, etc.

226. Six "special economic areas" in Russia: (1) Poland (Poles speak of "exports to Russia"); (2) the South; (3) Archangel; (4) Urals; (5) Moscow; (6) the Baltic (+Finland).

237 ...A trend "emerged" in 1911 towards a "Greater Colombia" in the northern part of South America against the United States. ||| N.B.

237 *and others*. The union of the modern gigantic world states into a single economic whole is stated to be an "approach" to "*universal free trade*".

> "As far back as the eighteenth century, after the secession of the North American colonies from Great Britain, it became apparent to the more far-sighted colonial peoples that such a brutal colonial policy [*suppression* of all industry in the colony] aimed exclusively at promoting the real or apparent interests of export of manufactures from the metropolis, could not be maintained for long. At any rate, that applied to regions of the temperate zone with active, intelligent populations whose living conditions do not substantially differ from those of European nations. In the tropical and subtropical regions, however, with populations at a lower cultural level, less energetic and militarily and politically weaker, this old colonial policy was still retained, even though to a lesser extent. True, nowadays, in both the tropics and subtropics, outright suppression of incipient industrial activity is as a rule avoided. But in most

* See p. 78 of this volume—*Ed*.

cases colonial governments devote more attention to developing agricultural and mining raw-material output than to industrial and political problems. And that for the most part they can do this without much damage to the economic development of the tropical or subtropical areas concerned is all the more important, since this enables them to operate this type of colonial policy for a long time. For the present acute political rivalry throughout the world, and the emergence of overseas Great Powers (U.S.A., Japan), afford the population of the tropics and subtropics—resentful
N.B. at the forcible, *ruinous* retarding of its economic development—many means of creating difficulties for
N.B. its oppressors and of giving them a distaste for brutal methods of rule" (240-41).

N.B. For example, Britain is more and more converting Egypt into a country producing *o n l y* cotton (in 1904, of 2,300,000 hectares of cultivated land, 600,000 were under cotton) and *hampering* industrial development (for instance, two cotton textile mills founded in Egypt in 1901 were made to pay the cotton *t a x*, that is, the government imposed a "consumers' tax" on cotton!!!) (244-45).

"Present-day colonial policy".

In general, "modern" colonial policy is supposed to encourage production of raw materials and react to the development of industry "with indifference, if not with hostility" (247).

N.B. "However, it is probably no longer possible to apply that type of colonial policy to the physically and intellectually more vigorous peoples of temperate climates; it can be applied only to the weaker peoples of the tropics and, in part, the subtropics. But even here it can be carried out only by the more powerful European metropolitan countries, Great Britain, France and Germany. The Netherlands, Spain and Portugal, on the other hand, have lost some of their colo-

nial possessions and are able to retain others only because of the good will and mutual rivalry of the big colonial powers. Belgium is a notable example. N.B.

"...But even the strongest colonial power, Great Britain, in its biggest and most important colony, *India*, is compelled to depart considerably from strict observance of the above—mentioned principle in its trade and industrial policy, so as not to make N.B. her position more difficult than it actually is in the face of popular, hostile agitation" (247-48)....

247, note.

"After many years of stubborn bloody struggles against the natives in revolt, the U.S.A., in the end, conceded the Philippines *parliamentary representation* (a Congress) with wide powers. This testifies to the acumen of North American statesmen in colonial policy. Less flattering evidence of this acumen, however, is the *land policy* of the North Americans in the Philippines, which is leading to the formation of latifundia." N.B. N.B. the Americans in the Philippines N.B.

Methods of colonial exploitation: appointment of *officials* from the ruling nation; —seizure of land by ruling-nation magnates; high taxes ("training in labour").

"For colonial peoples in subtropical areas ... such as the Indians of North India and the Egyptians, the educated strata of which have already assimilated European-American civilisation, the very fact of foreign rule is an insult that is borne with difficulty and thought of with extreme hatred" (249). !!!

In Egypt, the population is much more homogeneous (in language, nationality, etc.) than in India, "and the country (Egypt) is more European than, for instance, some areas of European Russia" (252).

(similarly, the "semi-civilised" population in Ceylon, the Straits Settlements, Algeria, Tunisia, etc.) (258).

N.B. *Holland*, like Great Britain..., in her colonies follows a "free-trade policy which, at the same time, is mainly aimed at developing the output of agricultural and mining raw materials" (259).

Germany waged a tariff war against Canada (from July 31, 1898 to March 1, 1910) because of the latter's preferential tariffs in favour of Britain. It ended with the retention of these tariffs and a customs treaty with Germany.

Most British, Dutch and German colonies, "as far as can be foreseen", will remain under the open-door regime in relation to a *all* countries (271). *Trescher* (*Preferential Tariffs*, 1908) contested this, and Schilder says that he has *toned down* his conclusions.

As regards state *contracts* (269-70), the custom everywhere is: preference for "*one's own*" country.

"'**Open-door' areas**" (old type: Turkey (until 1908), Rumania, Bulgaria, Egypt, Morocco, Persia; new type: Congo, Afghanistan) "are almost always independent or, at least, formally independent states, and in most cases semi-civilised countries" ... (274).

(1) They usually lack *sovereignty*. They usually pass into the hands of the Great Powers: separate parts of these areas *split off*.

N.B. (2) "Individual areas of the 'open-door' country split themselves off from the state that previously ruled them and, after a more or less prolonged transitional period, acquire full political and economic sovereignty, the small and medium-sized Balkan states being in that category. On the whole, this phenomenon is not so frequent as that indicated under point 1" (274).

(3) Full independence (Japan) is *extremely rare*.

Ad. *2*. Growth of independence:

Japan in the 1890s.

Bulgaria in 1897-19*09* (fully sovereign!).

Siam *just now*.

Heading of §VI: "The swallowing-up of 'open-door'

areas by the Great Powers: the world economic usefulness of this historical process is seen from the examples of Bosnia, Algeria, ...Formosa, the Belgian Congo, etc...." ‖ apologist!!

{ These advantages (like the benefits of independence of former "open-door" areas: § VII) the author sees in the growth of trade!! Only that!! The book is devoted *mainly* to ***customs policy***. }

Siam, especially since the Russo-Japanese War of 1904-05, has been developing towards independence (p. 318 et seq.).

Growth of the national movement in China—Persia—Arabia—Egypt (p. 329), etc., etc.

§ IX: "The disappearance of 'open-door' areas is an irreversible but beneficial process for the world economy" (337)... These areas are "semi-barbarian", mostly semi-civilised.... "Apple of discord of the Great Powers" (337-38)....

Chapter IX. "*Foreign Capital Investments*".

‖ *no longer* free competition ‖ (Subtitle of section I. "Foreign Investments as a *Means of Promoting Exports*".) ‖ N.B.

Customary condition: expenditure of part of the loan on *products* of the creditor country ("unusually frequent", 342).

Examples: Paris refused Bulgaria a loan in December 1909, and Hungary in September 1910.

..."these conditions *prevent extreme aggravation of competition on the world market*. International rivalry is replaced by a more restricted form of competition, involving only the relevant industrial enterprises of the creditor state, in some cases—and this *borders on corruption**—only certain enterprises which I for one or another reason are especially favourably placed ... for example, Krupp in Germany, Schneider & Co. in Creusot in France, etc." (346).... "Although it might be thought that such a *monopoly* could not be abused"... for one could apply to another country, in reality the choice is not easy... (346).

‖ N.B.

‖ "mildly" put

‖ "monopoly"

* See present edition, Vol. 22, p. 244.—*Ed.*

During the last two decades, France has *especially often* had recourse to this method.

348, note, "accumulated capital" ... annually

in France > 3,000-4,000 million francs

in Germany 5,000 million francs

(Delbrück in the Reichstag, February 12, 1911).

The "tariff war" between Austria and Serbia (from July 7, 1906 to January 24, 1911 with a *seven months*' interval in 1908-09) was *partly* caused by competition between Austria and France (both backward countries)

N.B. for supplying *war* materials to Serbia: Paul Deschanel told the Chamber of Deputies in January 1912 that from 1908 to 1911 French firms had supplied war materials to Serbia to the value of 45,000,000 francs (350).*

Another method: granting a loan (or with a loan in view) to bargain for "advantages" in a *trade treaty*:

For example, Britain (my expressions "robbed", "squeezed", etc.)

Austria in this way by the trade **treaty** of Dec. 16, 1865
France —Russia— " " " Sept. 16, 1905 (until 1917)
" —Japan— " " " August 19, 1911

Sometimes countries which borrow capital lend it to *other* countries, "trading in capital": e.g., the United States borrows from Britain and lends to South America, etc., etc. (p. 365 et seq.).

Switzerland readily lends to other countries (higher rate of interest), sets up factories in *protectionist* countries, and so on (p. 367).

..."The 1909 annual report of the Austro-Hungarian consulate in *São Paulo* (Brazil) states: 'The *Brazilian railways* are being built chiefly by French, Belgian, British and German capital. In the financial operations connected with the construction of these railways, the

* See present edition, Vol. 22, p. 245.—*Ed.*

countries concerned stipulate for orders for the necessary railway materials'" (371)....*

The 1909 report of the Austro-Hungarian consulate in Buenos Aires calculates the capital invested in *Argentina* as follows (p. 371)

British	8,750	mill. francs	(= £350,000,000)**
French	800	"	"
German	1,000	"	"

— Foreign capital in *Canada* (1910)—12,687 million francs (p. 373)

including 9,765 British
2,190 U.S.
372 French

— Foreign capital in *Mexico* (1886-1907)—3,343

including 1,771 U.S.
1,334 British

(the remainder) German, French, Spanish, etc.

British Imports and Exports (381-82)
(in £ million)

Average	Imports *gross*	Imports *net* without re-exports	Exports without re-exports	Excess of foreign trade imports net
1855-59	169	146	116 +	33***
1860-64	235	193	138 +	55 =
1865-69	286	237	181 +	56 =
1870-74	346	291	235 —	56 +
1875-79	375	320	202 +	118
1880-84	408	344	234 —	110 —
1885-89	379	318	226 +	92
1890-94	419	357	234 +	123 +
1895-99	453	393	239 +	154 +
1900-04	533	466	290 +	176 —
1905-09	607	522	377 +	143
1910	678	575	431	144 —
1911		578	454	124

British capital investment abroad and in the colonies £ million (seven-year periods) (pp. 386-87)

— 235 (1856-62)
+ 196 (1863-1869)
+ 288 (1870-76)
— 94 (1877-83)
+ 430 (1884-1890)
— 223 (1891-1897)
— 107 (1898-1904)
+ 792 (1905-1911)

My total: Σ = =(1856-1911) £2,365 million

* Ibid., p. 245.—*Ed.*
** Ibid., p. 263.—*Ed.*
*** Thus given by Schilder.—*Ed.*

The author gives the table only on pp. 381-82 (without + and —), the remaining figures (capital investment) from *The Statist* are only in the text, moreover (curiously!), while giving annual data on imports for 1870-1911, he does not compute them in seven-year periods!

The author's conclusion is that, though the capital investment statistics are not fully accurate (none of *private* capital investments), they adequately show the correlation (between the *decline* in the excess of imports and the *growth* of capital investment) (p. 392).

pp. 392-93: *five* industrial countries are "***definitely pronounced creditor countries***": Great Britain, France, Germany, Belgium and Switzerland. *Holland* is "**industrially little developed**" ("industriell wenig entwickelt" (393)); the *United States* is a creditor country only in America*; while Italy and Austria are "only gradually developing into creditor countries" (393).

|| End of Volume I ||

N.B. p. 384, note. At the close of 1910, British foreign investments totalled £1,638 million (= 40,950 million francs), of which £709 million (= 17,725 million francs) in the United States = 43.3% + £1,554 million (= 38,850 million francs) in British colonies; foreign investments + private capital + £1,800 million (=45,000 million francs).

HILDEBRAND, *THE SHATTERING, ETC.*

Gerhard Hildebrand, The Shattering of Industrial Domination and Industrial Socialism, 1910 (Jena).

A summary (mostly a *random selection*) of figures on the "increased industrial independence of peasant countries" (p. 88)—"the industrial self-development of hitherto peasant countries" (138)....

* See present edition, Vol. 22, p. 278.—*Ed.*

§ 11. "The Chinese danger".... By 1920-25 the Chinese will have gone such a long way, etc., etc.

..."The industrial monopoly of the West-European sphere of civilisation is doomed"... (203).

p. 207. The question amounts to this: will the proletariat in the industrial countries be able "to replace or retain the vanishing peasant basis of food and clothing"?

"The answer to the clear-cut question must be a downright, clear, remorseless *No!*" (207).

209: It is impossible to obtain (in Europe) 200 million sheep 15-20 million bales of cotton, etc.

"There is no point in it (the proletariat) wanting to expropriate the capitalists, for the industrial means of production are no longer utilisable" (210), and it will *not* be able to go over to agriculture (211)....

"The possibility is thus excluded of a democratic socialism in the sense of a uniform, tightly-knit regulation of production as a whole by the mass of the people who possess nothing and rule everything.... ! Much more probable than the domination of peasant production by an industrial democracy is the domination of industrial production by a peasant democracy" (213). !

"However, the realisation of democratic socialism through an industrial democracy is absolutely ruled out if we accept:

"1. that peasant economy holds sway in the most important spheres of organic production; ?

"2. that the peasant masses hold fast to the private basis of production;

"3. that the peasant countries naturally endeavour to draw into their sphere the greatest possible share of industrial production;

"4. that, under the prevailing conditions of international competition, especially with the Chinese quarter of mankind drawn into the nexus of world economy, and with the conversion of other hitherto agrarian countries into industrial states, they can ? quite freely dispose of their industrial incomes which have already been monopolised not by them (215);

"5. that, on the other hand, the industrial states are to a growing extent dependent on foreign peasant bases for their supplies of food and clothing raw materials" (216)....

...."The unfortunate thing is that the industrialisation of the East, following the penetration of Western technical culture, can proceed much faster than the agrarianisation of the West, with its industrial over-tension and, it can be safely said, its industrial degeneration" (219)....

!?!

"Agrarian educational colonies" (224)—"a peasant internal colonisation" (225)—those are the "means" proposed by the author.

!!!

Conclusion (i.e., last chapter): "*United States of Western Europe*" (229)....*

The African peoples require "guidance and care" "for an indefinite time to come" (232).... In 20–30 years it will be difficult even for Russia + Great Britain + France "to oppose a Chinese-Japanese coalition" (231)....

!!

there is the possibility of a "great Islamic movement" in Africa, which will be "simultaneously both revolutionary and reactionary" (233).

!!!!

"To prevent" (p. 233 in fine) such a movement —is in the "vital interest" of Western Europe.

sic!!

234—"Consequently" "joint action in Africa by all the West-European states" is *essential*.

sic!!! N.B.

234—It is *hopeless* to expect Russia (+ Japan, China and the United States) to join in agreements (on disarmament and so forth)—the *West-European* nations must unite.

!

235: We must "slow up" (verlangsamen) "the tempo of capital formation in Western Europe"... "moderate" the "industrial tempo"... "strengthen the peasant basis" ... a customs union ... progressive taxation, etc....

236——an import duty on grain is needed, but a "moderate" one.

238—a democratic union of *workers* (down with "*Communist utopias*") *and peasants* (238).

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* See present edition, Vol. 22, p. 281.—*Ed.*

239—"as a matter of course", a "United States of Western Europe" *will need a strong army and navy.*
240—Britain will prefer to join rather than remain in "imperialist isolation"....

{{{ Useful for understanding the tendencies of opportunism and imperialism *within* Social-Democracy! }}}

P. TAFEL, *THE NORTH AMERICAN TRUSTS, ETC.*

Diplomingenieur *Dr. Paul Tafel*, The *North American Trusts and Their Impact on Technical Progress*, Stuttgart, 1913.
(Preface indicates that the author worked in the U.S.A. for seven years.)

According to Liefmann, *Cartels and Trusts.*
p. 1—Beginning of trusts (about) 1880s.
1900—185 trusts.
1907—250 with *7,000 million* dollars.

date of origin of trusts

p. 2—Number of *shareholders* (*steel* shares) > *100,000*!!

pp. 8-9—America passed *directly* to railways. "Even today there are still no main roads in the U.S.A. that can be used for travel in summer and winter" (71, note 9)....

!

Economic conditions and forms of trusts dealt with at length.

p. 48: "The chief rival of the Steel Trust, the Jones and Laughlin Co. of Pittsburgh, is said to have more modern equipment in its mills than the Trust.—Leather trust shareholders blamed the board for the business doing badly, because it had neglected the technical equipment of the factories. The harvester-machine trust was praised for sparing no expense to equip its factories with the most up-to-date machinery in order to reduce production costs and thereby raise competitive power. [Quoted from *Kartell-rundschau*, 1910, pp. 53 and 902.]

"The tobacco trust has gone the farthest, perhaps, in this direction. An official report says: 'The trust's superiority over competitors is due to the magnitude of its enterprises and their excellent technical equip-

ment. Since its inception, the tobacco trust has devoted all its efforts to the universal substitution of mechanical for manual labour. With this end in view it has bought up all patents that have anything to do with the manufacture of tobacco and has spent enormous sums for this purpose. Many of these patents at first proved to be of no use, and had to be modified by the engineers employed by the trust. At the end of 1906, two subsidiary companies were formed solely to acquire patents. With the same object in view, the trust has built its own foundries, machine shops and repair shops. One of these establishments, that in Brooklyn, employs on the average 300 workers; here experiments are carried out on inventions concerning the manufacture of cigarettes, cheroots, snuff, tinfoil for packing, boxes, etc. Here, also, inventions are perfected.'"* (*Report of the Commissioner of Corporations on the Tobacco Industry*, Washington, 1909, p. 266.)

N.B.

"It is quite obvious that such a policy greatly stimulates technical progress. Other trusts also employ what are called development engineers whose business it is to devise new methods of production and to test technical improvements. The Steel Trust grants big bonuses to its workers and engineers for all inventions that raise technical efficiency, or reduce cost of production."**

Besides competition, the bad financial circumstances of the majority of trusts (owing to *over-capitalisation* (N.B.)) are a stimulus to technical progress.

The capital of the Steel Trust = about $1,000 million ("one-seventh of the total national property"). The shareholders received three new shares for each old one. (Cf. also **Glier** in ***Conrad's Jahrbücher***, 1908, p. 594.)

N.B.

Interest has to be "earned" on this *triple* capital!!!

The capital of the railways = $13,800 million. Of this, about *8,000 million* is fictitious capital!! (p. *52*).

!

To continue. What if there is a complete monopoly? (At

* See present edition, Vol. 22, pp. 203-04.—*Ed.*
** Ibid., p. 204.—*Ed.*

present the *greater* part consists of
(α) outsiders
(β) the world market

In the U.S.A., *only* the post office is run by the government. *Everything else* (including railways, telegraphs, etc.) belongs to private companies.

1880—177 telegraph and parcel-post companies with a capital of 66.5 million dollars;

1907—25 companies with a capital of 155 million dollars of which 6 ↔ 97.7 per cent of the total receipts. Price is uniform and for telegrams "excessively high" compared with Europe (p. 60). ‖ N.B.

Railways in disorder: *Michelsen* (a leading authority!) calls them "anarchic, uneconomic, cumbersome, unscientific, unworthy of the genius of the American people" (p. 63).

—railway cars *very often* lacking, whenever there is a boom (1902, 1906), in a number of *localities*, etc., etc. ‖ N.B.

cf. *Conrad's Jahrbücher* (Blum), 1908, p. 183 ‖ N.B.

In the *recent period* the technical condition of the American railways has *deteriorated*; they lag behind Europe (p. 63).

The process of railway concentration was completed in 1899; by 1904 the price per ton-mile had *risen* from 0.724 cents to 0.780 cents ((!! p. 62)).

The Role of Technology. *Camphor*

	Million pounds	Price per pound
1868 export	= 0.6	16.4 dollars (!!)
1907 "	8.4	168.5 "

(in 1905 it became possible to produce it *artificially*; ← the price fell; but raw material (turpentine) was dear)

The position of the trusts is shaky: "colossi with feet of clay" ... p. 67 (an American writer says)... the future is dark....

N.B. On the trusts, *The North American Review* is frequently quoted.... 1904; 1908; 1902, p. 779; 1906; 1910, p. 486; ‖ and others

E. A. Heber, *Industrial Labour in Japan*, *Zurich*, 1912.
N.B. A **very** detailed work.
J. Grunzel is quoted, *The Error in Regard to Productive Forces*.
Zeitschrift für Volkswirtschaft, Sozialpolitik und Verwaltung, *Vol. 20*, Nos. 3 and 4.
Quoted by Tafel
?? *J. Grunzel*, *The Triumph of Industrialism*, 1911.

NOTE ON K. KAUTSKY VERSUS IMPERIALISM

N.B. **Kautsky on Imperialism**

Hobson's book on imperialism is useful in general, and especially useful because it helps to reveal the basic falsity of Kautskyism on this subject.

Imperialism continually gives rise to *capitalism anew* (from the barter economy of the colonies and backward countries), giving rise *anew* to transitions from small-scale to large-scale capitalism, from weakly developed to highly developed commodity exchange, etc., etc.

The Kautskyites (K. Kautsky, *Spectator* and Co.) quote these facts about "healthy", "peaceful" capitalism, based on "peaceful relations", and *counterpose* them to financial robbery, banking monopolies, deals by the banks with the state, colonial oppression, etc.; they *counterpose* them as the normal to the abnormal, the desirable to the undesirable, the progressive to the reactionary, the fundamental to the accidental, etc.

This is the new Proudhonism.[15] The old Proudhonism on a new basis and in a new form.

Petty-bourgeois reformism: *in favour of* a cleanish, sleek, moderate and genteel capitalism.

N.B. || On the concept of imperialism + the artificial
N.B. || halting of progress (buying up of patents by the trusts: e.g., in this notebook the example of the German bottle manufacturers*).

Approximately: N.B.

Imperialism =
(1) banking capital
(2) monopolies (trusts, etc.)

* See p. 86 of this volume.—*Ed.*

(3) division of the world. [Colonies]
(4) alliance (connection, *merging*) of banking (finance) capital with the state machine
(5) highest degree of concentration

E. AGAHD, *BIG BANKS AND THE WORLD MARKET*

E. Agahd—St. Petersburg. *Big Banks and the World Market.*

"The economic and political significance of the big banks in the world market from the standpoint of their influence on Russia's national economy and German-Russian relations." Berlin, 1914. Preface dated: **May 1914**.

Reviewed by *Spectator* (author is often naïve and "exaggerates the importance of the big banks", etc.) in *Die Neue Zeit*, 1915, 1 (33rd publication year), p. 61 et seq.

The author spent fifteen years in Russia as inspector of the Russo-Chinese Bank. There is much of the offended vanity of the unrecognised financial expert, much chatter (a host of phrases against "dilettantes" and "amateurs", etc.).

One can and should take Agahd's figures and facts, but not his arguments in favour of the British banking system (separation of deposit banks providing short-term commercial and industrial credits from speculative banks), nor his arguments against protectionism, etc., etc. The author wants an "honest", moderate and genteel capitalism, without monopolies, without speculation, without promotion of bubble companies, without "links" between the banks and the government, etc., etc.

α) Société Générale, etc.
β) Banque de Paris et des Pays Bas (popularly called "Paribas")
γ) Banque de l'Union parisienne....

"The Paris banking trio, with assets of several thousand million francs, and with Russia as its chief market, controls the following Russian banks: (1) the Russo-Asiatic

Bank, (2) the St. Petersburg Private Bank, (3) the Union Bank, and has introduced on the Paris stock exchange the shares of some industrial concerns that are closely connected with these banks" (55)....*

N.B. Here, too, quantity passes into quality: banking manipulation and narrow banking specialisation *become* an effort to assess broad, mass, national and *world-wide* mutual relationships and connections (Zusammenhänge)—simply because billions of rubles (in contrast to *thousands*) lead to this, depend on this.

N.B. "In 1905-06, large sums of Russian capital were transferred to European, especially Berlin, banks; but great as was the panic effect of the brief rule of the masses in revolt against private ownership, the latter rapidly recovered its calm and reaction was back in the saddle with renewed strength.

"In 1907-08 we already see Russian capital flowing back, bringing with it new international capital" (59).

p. 59,

× in ten Russian banks

Deposits (million rubles)	1906	1908
	614	875

× Siberian Commercial; Russian; International; Discount; Azov-Don; Private; "Petropari"?? (= St. Petersburg-Paris?); Volga-Kama; Northern and *State*.

"The above-mentioned figures, it should be noted, illustrate only a difference of 261 million rubles in St. Petersburg bank deposits during the *two years when business was completely stagnant*." (Agahd's italics.)

"If one adds the Moscow and provincial banks, and further the Crédit Lyonnais and private bankers, and undeposited money, the figure could well be doubled, and it would not be too high to estimate that about *500 million rubles of 'panic-struck capital'* [Agahd's italics] flowed abroad and back into the Russian banks in the form of cash"... (59).

* See present edition, Vol. 22, p. 231.—*Ed.*

"However, the total amount of '*panic-struck capital*' must have been much larger.

"The current rate of Russian 4 per cent Consols was quoted as follows:

	1905 — 65%
January	1907 — 73.5
October	1907 — 67
	1908-09 — 88
	1910-11 — 95
	1912-13 — 92.5

and, according to data of the Credit Office, dividend payments changed as follows:

	Million rubles	
	abroad	in Russia
1908	202	— 195
1910	175	— 233

"These figures, of course, do not allow of an absolutely certain conclusion because current security prices varied considerably and ruble encashment in Russia could often have been advantageous.

"Nevertheless, it can be assumed that a considerable part of the cash sent abroad returned in the form of Russian annuities. Even if one puts this at only 500 million rubles, the amount of '*panic-struck capital*' rises to about a thousand million rubles" (60). N.B.

... "The danger of a fall in the value of the ruble, and a financial crisis, which was developing at the close of 1905, were averted when the Russian syndicate in Paris, with the participation of the British money market, took up the 5 per cent loan in the spring of 1906. N.B.

"The government treasury thus received almost one *thousand million* rubles in cash. In the following quiet years of 1907-08 the banks and the state treasury were in a very favourable position, that is to say, cash was freely available, the force of facts had powerfully stimulated thinking, and something sensible could be created on a realistic basis,—if desired.

N.B. "as well" N.B. "These two years had a beneficial effect on trade and industry as well, and led to improvement and reconstruction. Private industry, i.e., industry not dependent on government orders (oil, sugar, textiles, paper, timber), remained thoroughly healthy, and it was only the labour question that assumed quite a different, i.e., a political, character" (61)....

"The years of change, 1905-08, caused many Russian capitalists to deposit their liquid money in German banks"... (see above).

sic!! "Things went so far that one of the most conservative (and most independent) Russian banks bought Prussian Consols as a reserve against unforeseen developments.

N.B. "At that time (1906) the Russian banks were not particularly rich in cash.—The intense peasant movement had caused much damage in the villages; the workers in the towns, however, had left trade and industry comparatively unharmed. The fact is well known that, in spite of the numerous strikes, there were only a few acts of sabotage against private property and warehouses belonging to trade and industry (the sabotage in Baku should be attributed to Armenians and Tatars) (apart from the gross disorders on the railways, which, however, should not be ascribed to the free workers)."

N.B. The author, of course, is an arch-bourgeois and nationalist in his political sympathies!

"In fact, the number of bills protested at that time rose only slightly, which caused the more surprise in financial circles of the continent, the less the contemporary (peasant) movement was understood" (66).

Bills of Russian banks protested, according to balance-sheets of November 1, 1905 and following years (p. 66):

N.B.

		Million rubles						
		1905	1908	1907	1908	1909	1910	1911
State Bank	Bills discounted,	188.8	171.4	215.7	194.8	211.8	243.8	
	of which protested	3.9	1.5	1.6	2.1	2.6	1.1	
8 St. Petersburg commercial banks	Bills discounted,		352.0	376.0	445.0	523.0	677.0	788.0
	of which protested		4.9	2.2	2.6	5.2	2.9	4.1

"Berlin financial circles particularly weakened their relations with Russian private industry in 1905-06, that is, precisely when there was a large flow of cash from all parts of Russia. Until then the Lodz weaving and spinning mills (mostly German-owned) had depended mainly on the Berlin financial market and had always been good clients; nevertheless the Berlin banks deprived these firms of considerable credits, forcing many of them not only substantially to reduce production, but even send a consortium of very wealthy Lodz textile industrialists to the Caucasus to take part in mining enterprises there and seek contacts with the London and even the New York market. Contacts were not established chiefly due to the pogroms which took place at that time" (67).... || !!

..."It should be borne in mind, that Russia's losses in the Japanese war, including Port Arthur, Dalny and the southern part of the Chinese-Eastern railway, amounted to approximately 4,500 million rubles, i.e., half of the national debt, on which, consequently, the Russian peasants have to pay interest and amortisation, without receiving any of the capital" (72). || N.B.

From Chapter V: "Participation of the German big banks in the St. Petersburg banks, etc." || N.B.

How does the Deutsche Bank place shares of the Siberian Commercial Bank in Berlin?

..."The Deutsche Bank keeps new foreign shares

N.B. !!! in its portfolio for a year and then sells them on the Berlin Stock Exchange with a 50 per cent middleman's profit. The public pays at the rate of 193 for 100"... (74)*

"so that a 'German' big bank comfortably and rapidly makes a profit (on the market price)"... (74).

..."Since, however, the Deutsche Bank has placed the shares among the Berlin public at 195 per cent, and subsequently still dearer (at present the market price is 230 with a 15 per cent dividend—the rate of interest is therefore 6½ per cent), the primary concern of the bank's board in St. Petersburg must be to ensure that dividends remain at the same level. N.B. *This is a categorical demand of the foreign bank. It is the only demand it makes.*—How it is done is a matter of complete indifference to it, and the result is wild speculation on the Stock Exchange and speculative share-promoting into which the St. Petersburg banks are directly forced by the 'holdings system'" (77).

"Statistically, from the German standpoint, the operation appears as follows:

"Increase of capital since 1906-07:

16,000,000 rubles—nominal share capital at the average market price of about 200 (when put on the Berlin Stock Exchange)

10,000,000—from issues on reserve account

26,000,000—in all

32,000,000—actual capital at 200

6 million rubles 6,000,000 rubles—difference—middleman's profit in favour of the Deutsche Bank and its clients" (78)....**

..."The Deutsche Bank thus offered the German public about 32,000,000 rubles of shares with the sole aim that it, the Deutsche Bank, should pocket the Judas reward of several millions in market price difference" (78). !

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* See present edition, Vol. 22, p. 232.—*Ed.*

** Ibid., p. 232.—*Ed.*

At a general meeting of Siberian Commercial Bank shareholders on March 23, 1913, a small group of shareholders headed by a barrister, Bibikov, protested against the decisions of this general meeting. (*Birzheviye Vedomosti* No. 14017, February 21, 1914; *S. Peterburgskaya Gazeta* No. 51, February 22, 1914; *S. Peterburgskaya Gazeta* No. 54, February 23, 1914.) The protesters proved ... "that the bank's director-general (a certain Soloveichik, connected by family ties with one of the Deutsche Bank directors) had put to his own private account seven million rubles of government subsidies and had used the money to buy shares of his own bank and thus acquire the majority of votes needed for his re-election" (79)... "If it is borne in mind that German capital operates here, and that such business methods are encouraged by the famous Deutsche Bank, increased importance attaches to the conclusion which I am endeavouring to prove in this book, viz., that the 'holdings system' prevents even a serious Russian side from ensuring a sound and orderly management of the credit institutions that are so important to Russia. The Deutsche Bank is, of course, in a position to procure for itself a majority of votes, but the Russian shareholders, who also participate in the bank, will never be able to secure a majority sufficient to put into practice their just wishes and reasonable views" (80).

!!

!!

..."Since 1906 there has been still further and greater German participation in the Russian Bank for Foreign Trade, known as the *Russian Bank*, and the St. Petersburg International Commercial Bank, known as the *International*; the former belongs to the Deutsche Bank concern, the latter to the Discontogesellschaft in Berlin. Both these Russian banks employ three-fourths German money (share capital).* The Russian Bank and the International are the two most important Russian banks. Both are strongly speculative"... (82).

N.B.

* Ibid., p. 232.—*Ed.*

Increase of Capital, million rubles (p. 84)

	Capital 1906		1912		Reserves 1906		1912	
Russian Bank	20	—	50	(+30)	3	—	15	(+12)
International	24	—	48	(+24)	12	—	24	(+12)
	44		98	+54	15		39	+24*

ΣΣ = 78 + 32 (Siberian Bank) = 110

These banks have "obtained since 1906 a total share capital of 110 million rubles, whereby a middleman's profit of several million rubles passed into the exchequer of the promoters" (84)....

p. 97 ... "for that (*The Times Russian Supplement*) at any rate subsidies are paid from the Russian Ministry of Finance"....

Chapter 8: "Total Amount of St. Petersburg Banks Operating with Foreign Participation and Some Comments on the Figures."

000 million rubles

a 1) 0.4 + 0.8 = 1.2
a 2) 0.2 + 0.2 = 0.4
a 3) 0.7 + 0.7 = 1.4

1.3 + 1.7 = 3.0
b) 0.5 + 0.4 = 0.9
1.8 + 2.1 = 3.9

"At that time (1911) the Russian Credit Office [N.B.: in other passages: its director *Davydov*] gave the Russian banks, for stock-exchange operations in Paris and Petersburg, first 120 million francs and later a further loan, altogether about 100 million rubles, to subsidise the wild banking speculations which had reached a deadlock (the official designation was: for stabilising the market price of Russian state securities)"... (86).

p. 121: ...in *1912* the Russian commercial banks-altogether had *548* branches....

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* See present edition, Vol. 22, p. 232.—*Ed.*

	External investments (assets)	Marked in pencil are my columns and my totals ↓		*Million rubles* Liabilities (debits)			
St. Petersburg deposit banks	Productive (trade and industry)	Speculative (Stock Exchange and finances)	**Million rubles**	Capital and reserves	Deposits	Debts at other banks and rediscounts	Acceptance
a) Under the "holdings system"							
1) ***German holdings*** (4 banks: Siberian Commercial, Russian, International and Discount Bank)	413.7	859.1	1,272.8	207.1	658.8	429.0	48.6
2) ***British holdings*** (2 banks: Russian Commercial and Industrial; Russo-British)	239.3	169.1	408.4	55.2	204.8	111.5	16.2
3) ***French holdings*** (5 banks: Russo-Asiatic, St. Petersburg Private; Azov-Don; Union-Moscow; Russo-French Commercial)	711.8	661.2	1,373.0	234.9	736.4	308.0	29.5
	1,364.8	1,689.4	3,054.2	497.2	1,600.0	848.5	94.3
b) Independent Russian banks (St. Petersburg and Moscow) (8 banks: Moscow Merchants, Volga-Kama, Junker and Co., St. Petersburg Commercial (formerly Wawelberg), Bank of Moscow (formerly Ryabushinsky), Moscow Discount, Moscow Commercial, Moscow Private)	504.2	391.1	895.3	169.0	599.6	127.0	—
Total	1,869.0	2,080.5	3,949.5	666.2	2,199.6	975.5	94.3
	3,949.5			3,935.6			

* See present edition, Vol. 22, p. 231.—*Ed.*

The growth of "mutual credit societies" (p. 122)

(according to Credit Office figures)
million rubles

	Number	Members	Capital	Total assets	Deposits	Accounts
1907	261	158,000	39	319	203	246
1912	776	502,000	99	899	487	687

N.B. N.B. **(136 and others.)** Russian Ministers of Finance appoint bank directors (often from government officials), give the banks millions in subsidies through the "Credit Office", etc.

well put! "This gives the key to the activity of those St. Petersburg banks—'Russian' in their external appearance, 'foreign' in the sources of their funds, 'dilettante' in their conduct of business, and 'ministerial' in the risks they take—which have grown into parasites of Russian economic life.—*And this precedent* [reference is to the Siberian Bank, etc.] *has now become a principle of organisation for the St. Petersburg banks*. The Berlin and Paris directors of the big banks believe that the following guarantee their interests

"1) the direct Credit Office subsidies to St. Petersburg banks,

!! N.B. "2) the credit balance of the Russian Finance Ministry (of which about 60 per cent is in Paris and 40 per cent in Berlin)" (137)....

"The Finance Ministry authorised the Russo-Chinese Bank [in which the author served!!] to issue a series of state-guaranteed securities to provide it with the necessary cash resources, without being concerned as to how these were used. Thus, for example, it handed over to the bank the issue of state-guaranteed railway shares in European Russia, and the income went directly into the bank's coffers. The railways would need the money gradually, in the course of 4-5 years (during their construction), and in the meantime the bank could freely dispose of the money and, in addition, earn

N.B. !!

profit from the issue of the shares. This became an established procedure, for it was repeated several times each year" (149).

(The shares of four railways total £12,800,000 = about 120 million rubles.)

"The director (who is also the president) of the bank is a board member of a number of big railway and industrial companies (at present about 20), which likewise have to keep their free cash on current account in the bank, knowing that the Finance Ministry is greatly interested in the bank and supports it" (149).

20 companies!!

N.B.!!

That is how "business" is done....

This in Chapter 11: "The Merger of the Russo-Chinese Bank with the Northern Bank (Russo-Asiatic Bank) and the Protest against This at the 1910 General Meeting" (p. 147):

(the protest was moved by the author himself)

"Most of those present at the general meeting of the Russo-Chinese Bank, which was intended to confirm the merger, were State Bank and Credit Office officials holding proxy votes"... (153).

N.B.!!

The author registered a "**dissenting opinion**", entered in the minutes of the meeting of March 30, 1910 (p. 154).

"The holdings system is nonsense"—the author argued in his protest... (p. 154).

A "merger" was carried out by the French banks (Banque de Paris et des Pays Bas + Société Générale) which were "interested" in the Russo-Chinese Bank, saw its affairs were in a bad state, wanted to "extricate" themselves and *hoped*

"by the merger [of the two banks into one—the Russo-Asiatic], to create such a big 'Russian' institution that the Russian government would be compelled to 'uphold' the merged bank under all circumstances" (p. 151).

N.B. !!

"When the merger took place, the share capital was reduced by 33 per cent and these sums were put

!! to reserve account. This gave the bank the appearance of having created this reserve capital as a result of good business management, while at the same time enabling the new administration in the future to distribute the entire profit (!) on a diminished capital at a higher rate of interest,

N.B. because the reserve capital had, at one stroke, reached the legal maximum and no interest had to be paid on it. The shareholders were helpless even against this manipulation, for they were in France, while the general meetings took place in St. Petersburg"... (152).

..."When the Russo-Asiatic Bank states that its share capital is 45 million rubles and reserve capital 23.3 million rubles, every unprejudiced person will assume that the reserve has been derived from earned money, i.e., is the result of good business management. In reality, however, it comes out

!! of share capital, and is the result of bad business management. Neither bank had reserves prior to the merger" (153)....

And, in fact, this bank, with 120 branches (!!), has too *little* capital (a balance-sheet of *785* million rubles with a capital of 73½ million + reserves—October 1, 1913)—"the risk of this

!! overloading has to be borne by the Credit Office" (153).

..."Furthermore, it is quite clear that under the 'holdings system', which prevents the shareowners from passing judgement on the management of the company, because between them and the company stand the all-powerful big (foreign) banks,

N.B. which can use more or less 'masked combinations' to rob both sides, directors are appointed arbitrarily and according to private interests, so that,

ha-ha! in the end, any dilettante can become a bank director" (156-57).

The board of the Russo-Asiatic Bank consists

sic!! of "a former Russian bureaucrat (as Director-General and President of the bank), a former Russian Governor, a former French diplomat, and a former French lawyer" (158).

All this criticism is stated to have been written in the autumn of 1913 and to have "become obsolete" owing to the Imperial rescript of January 30, 1914. ?

diplomacy?

The union of deposit and speculative banks is harmful because it

(1) "ties up" the country's productive means

(2) leads to a rise in prices, syndicates, etc.

"If clarity and order were established in banking conditions, I should indeed like to see whether there could be trusts, monopolies and syndicates" (179).... ha-ha! that what it comes to!!

"Let it be legally laid down that firms concluding agreements which militate against the consumer by eliminating competition (by dishonest competition) will not be granted official bank credits and, therefore, will not be allowed to issue securities, and then monopolies and syndicates might very soon be dissolved" (180). ha-ha!! simple!!

Subsidies of the Credit Office (pp. 202 and 204) to the St. Petersburg banks amount to *800-1,000* million rubles*. !!

The Credit Office ... "is the keyboard controlling all credit activity in the Empire". "It is a bureaucratic apparatus without a statute and without public control" (200).

..."In 1910 it was ... reformed and since then its task has been to 'co-ordinate' the activities of all the credit institutions of the country,** and '*it is the connecting link between these and the Stock Exchanges*'"..... The St. Petersburg banks report to it every eight to fourteen days, and in more detail every three months (201).

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* See present edition, Vol. 22, p. 238.—*Ed.*

** Ibid.—*Ed.*

Four "modes" of these subsidies*:

		Million rubles
(1)	Direct cash payments (to the banks) from assistance funds, up to	150
(2)	Assets in foreign banks (as concealed cover)	450
(3)	"Assignment of state-guaranteed stock issues"	150
(4)	"Discounting of financial bills (accommodation bills) with or without the endorsement of a foreign bank" . . . . . about	50
		Σ=800

N.B. "Deposits—1,648 million rubles, plus 800 in subsidies—amount to 2,448 million against 5,000 million, the total amount of free working cash in the country, according to data of Mr. Davydov (Credit Office), i.e., ...half the free working cash in the Russian Empire is tied up in international speculative banks, by the system of holdings. Years may elapse before this money is gathered in again (and put back in circulation)"... (204).

N.B. Chapter 15 (p. 210): "*Relative Strength of the International Bank Trusts* in the Russian Market"....

"Balance-sheet showing strength of the St. Petersburg banks (system of holdings)" (p. 211).

Million rubles

Assets		**Liabilities**	
Control of Trade and Transport		*Working Capital of the Banks*	
a) Industrial credits . .	1,350	a) Own funds	497
b) Shipping and private railways	1,509	b) Deposits (Russia) . .	1,600
c) Control of Russian private holdings . .	1,689	c) Credits	942
	4,548		3,039

* Subsidies of the credit office.—*Ed.*

Control of Production and Industry			Security Issues, 1908-12 (exclusive of government issues)	
a) Syndicates in		coal (Produgol)	a) In Russia	3,687
b)	"	" iron (Prodamet)	b) Abroad	1,509
				5,196
c)	"	" oil (General Oil, etc.)		8,235
d)	"	" metallurgy (various)		
e)	"	" cement, building (various)	3,687	
			8,235	

{Table in full on pp. 211-12.}

"The strength relation of the three foreign groups of banks is:

(1) French bank trio plus 5 St. Petersburg banks	55 per cent	N.B. (p. 212)
(2) German-Berlin "D" banks plus 4 St. Petersburg banks	35 per cent	
(3) British-London syndicates plus 2 St. Petersburg banks	10 per cent"*	

..."On the other hand, the division of material liabilities (all in nominal values) is:

a) *Abroad*	(Million rubles)
Security issues	1,509
Bank demands (excluding counterdemands of the Credit Office) about	300
Holdings in bank shares	295
Other share holdings	500
	2,604

* See present edition, Vol. 22, p. 232.—*Ed.*

b) *Russia*

Security issues, deposits and miscellaneous . . .	4,831
Credit Office (without last railway loan)	800
	5,631 ‖
	Σ=8,235"

"The clear meaning of these statistics of proportions is that the one-third minority of capital-exporting countries dominates the two-thirds majority of Russia as a capital-importing country (p. 213), and, moreover, in such forms (subsidies, syndicates, cartels, etc.) that this minority can protect neither its own interests nor those of others. In consequence of this, last but not least,*] the private interests of a few boards of big banks dominate, not officially but secretly, and in such a way that all concerned suffer."

{ In this the author sees the cause of the rise of prices, even giving (p. 213) an approximate percentage rise of prices in 1908-13, but this cannot be taken seriously, it is not a proof, simply an unnecessary illustration.... }

On p. 214 he gives the following *official statistics from the Torgovo-Promyshlennaya Gazeta*:

		Million rubles
N.B.	Total amount of share capital (beginning of 1914)	3,600
	Plus industrial (stock)	400
	" railway shares	140
		4,140
	Plus state loans and guaranteed railway stock in Russian bands.	6,072
	" private mortgages	2,956
		13,168

| The St. Petersburg banks, he says, are "artificially [?] created international money trusts" (215). |

* These four words are in English in the original.—*Ed.*

..."the programme of a modern big bank director is quite clear and obvious; it reads:

"*If we, the big banks, succeed in ruling over producers and consumers* (*through stock issues, credit and customs duties*), *then the profits will flow into our pockets and we become masters of the situation*" (Agahd's italics) (218).

"if" is amusing ("a Narodnik"!)

Agahd "forgot" a trifle: capitalism and the capitalist class!!

The consequence of this, he says, may be "excessive raising of customs duties" and because of that "open hostility in the world market, which could even lead to war, what may also suit the big bank monopolists, because with the force majeure of war they can purge their balance-sheets without being held personally responsible for the losses" (220)....

"even" to war

one of the motives for war

On p. 234 the author quotes **S. Prokopovich** (on the conditions of Russia's industrial development)—

Capital of Russian origin
447.2 mill. rubles = 21.1%
Capital of foreign origin
762.4 mill. rubles = 35.9%
Capital "from sale of stock"
915.6 mill. rubles = 43.1%

Σ is 100.1%

Here, says Agahd "the bank question, with which the author (Prokopovich) is not familiar", plays the biggest role.

On the question of Russia's *balance of trade*, the author writes that the excess of the credit over the debit side was

1909— 570 mill, rubles (p. 238)
1910— 511
1911— 430

1,371*
— 600 —minus coupon payments abroad of 200 million rubles per annum

771 —"total excess in 3 years".

"Concerning this sum, therefore, it can be said that it has in part (I put it at 500 million rubles) more than normally enriched the country in cash resources thanks to especially good harvests. But this figure proves, plainly and obviously, that the apparently gigantic upswing in Russia was by no means due only to favourable harvests.

"To this must be added the import of capital under guaranteed and private stock issues of about 1,509 million rubles, of which, however, only a negligible amount was put on the market in the form of cash (most of it went into special undertakings).

N.B. "The director of the Credit Office (Davydov) gives the following estimate of the growth of the country's free working capital (by which he means private deposits in all the banks, savings-banks deposits (an increase of 576 million in cash and securities), current accounts of government agencies in the State Bank, excluding, however, current accounts of the Credit Office with foreign bankers and the debts of Russian banks abroad):
1906—2,592 million rubles
1912—5,000 million rubles" (p. 238).

* So given by Agahd.—*Ed.*

The growth, he says = about 2,500 million rubles, and import of capital about 1,600 + 771 (inflow due to good harvests) = 2,371 million rubles (p. 239)—"they approximately balance"....

"The Russian Finance Ministry utilises here" (in reference to Russia's excessive gold reserve) "its cash just as unscientifically, just as unsoundly from the economic standpoint, just as anti-nationally as most of the continental big banks in Berlin and Paris use their deposits. Russian government money serves to ensure the influence of some Berlin and Parisian big banks over the St. Petersburg banks (and their Russian deposits), while the country's productive economic life is weakened precisely where it ought to be strengthened" (247).

is it not the reverse? "the influence" of the Parisian and Berlin banks *compels*??

The national income (the "national budget agricultural production, i.e., the grain harvest and all other products") in Russia (1913) was only *9,000 million rubles* (249).

N.B.

..."Raising productivity and popular consumption is still the most profitable business" (265) (author's italics).

"Narodnik"

This is how the author criticises Witte's financial policy: "Then, too, they [Witte] went in for speculation and combinations and shifted the risk on to the Treasury, instead of properly organising things" (275)....

Speculation versus organisation!! Narodnik!! idem 281-82 and many more.

Author reproached Russian Finance Ministry: "No bounds were set for international speculation, nor was proper status allowed loyally co-operating foreigners in recognition of their achievements" (276)....

who is blaming whom? "honest broker"

... "good" banks ...

...“However, I again stress the difference between the speculating St. Petersburg banks (fiscal operations) and the productively employed Russian banks (national economy). One cannot but recommend the Volga-Kama Bank, the Moscow Merchants Bank, the Knoop and Wogau banks as models in directing banking business along lines that rule out speculation in deposit banks”... (280).

ha-ha!

“I have already expressed my *regret* that Russia is being involved in the ‘money market of the civilised world’” (283).

!!

“Every country passing over to a money economy must reckon with the power of the Jewish international organisation,” but (he intimates) the Jews are useful when they are subjected to the interests of the whole, as in Germany, where their talents are kept within the bounds of “reason and ethics” (284).

well said!

...“One can say: Under present circumstances the dividends of many big banks are paid out as if they were illegal payment for silence”... (286).

That “my” (Agahd’s) “programme” should be “un-national”?? God forbid!! I am not a cosmopolitan, I am a nationalist (pp. *287* and *288*), I am for the independence of every nation, for good banking, for successful “deals”.

gem (a nationalist)

...“If such a programme is not ‘national’, then please explain to me what is really meant by ‘national’. Or will I be told that the founding and efficient management of lastingly profitable businesses does not come under this concept?” (288).

Author’s italics:

for “peace” and a (“United States of Europe”)

“Reform of the continental big-banking business is therefore in general the first condition for an economic-political agreement in Europe, and this is wholly in accord with the interests of the nations” (290)

and the last phrases in the book:

"And my final propositions *read* as follows: If the European (continental) Great Powers continue unswervingly their hitherto 'well-tried system', a world war will compel them to alter it. Freedom of the money market and freedom of the world market—through war or prudence. Let them choose and bear, in mind that Europe's ruling classes carry the entire responsibility."

threat of "world war"

End

BALLOD, STATISTICS

Professor Dr. *Karl Ballod*, *Fundamentals of Statistics*, Berlin, 1913. Ballod

A very good summary, apparently, of statistical data, the author being, above all, interested in statistics of *production* (***quantity*** of products)—cf. Atlanticus!!—

Ballod believes that in Germany there are *two iron slaves* (machines) for each worker

§ "*Technical Productive Power*"

Incomplete

	Steam	Water	Electricity
Germany (1907)			
8.8 mill. h.p. in industry	(7.3	+ 0.9	+ 1.5)
America (U.S.A.)			
16.0 mill. h.p. in industry	(14.2	+ 1.8	+ ?)
Britain (*) (1907)			
10.7 mill. h.p. in industry			
Total + locomotives 13 mill. h.p. (1895)			

(steam) *machinery*

Britain	(*) Figures for *Britain* from *Die Bank*, 1913, p. 190—Board of Trade data. Results of the "census of production" for *industry* (all). Gross sale value = £1,765 million; cost of raw materials = £1.028 million; further processing = £25 million. Net value [1 — — (2 + 3)] = £712 million. *Number of workers* = *6,985*,000. Machinery = *10,755*,000 *h.p.* [+ in agriculture, value = £196 million; workers, 2.8 million]. Total capital (in industry) = £*1,500* million.

Amount of *Water-Power*

	Million h.p.
Switzerland	1½-3
Sweden + Norway	8 (about 28 million)
Finland	4-6 (p. 255)
Niagara	4-5 (only one-tenth used)
Congo waterfalls (Africa)	28
South America (??)	1-2

OTTO, GERMAN OVERSEAS BANKS

Dr. Walter *Otto*, *Loan Acceptance*, *Company Formation and Holdings Business of Big German Overseas Banks*, Berlin, 1911.

(Lists each enterprise and gives tables of the "holdings" of the big banks, Part I according to continents and countries, Part II according to banks. **Raw material**.)

Percentages of the holdings of *British* and *French*, and *North American* groups are shown for **individual** enterprises, but there are no *summaries*.

Table on p. *245*: "Total functioning capital of German overseas banks" (10 banks) (I abbreviate from the annual figures):

1889—	45.6	million marks
1890—	41.3	" "
1900—	206.5	" "
1905—	329.3	" "
1908—	607.1	" "

DIOURITCH, *THE EXPANSION OF GERMAN BANKS ABROAD*

Georges D i o u r i t c h, *The Expansion of German Banks Abroad, Its Connections with Germany's Economic Development*, Paris (and Berlin), 1909 (798 pp.).

A gigantic volume with heaps of data; part is already in Riesser; I select some additional data:

p. 37: According to figures of *Der Deutsche Oekonomist* (1906, p. 452), German banks have a capital of *11,394* million (their own and borrowed money).

Of which	3,335	controlled by	Deutsche Bank group	17	banks
	2,145	" "	Dresdner Bank + Schaaffhausenscher Bankverein	13	"
	1,843	" "	Discontogesellschaft	8	"
	908	" "	Darmstädter Bank	6	"
	Σ 8,231	4 groups		44	"
		+4 less powerful groups			

ΣΣ = 9,566 = in all about 80% { Commerz- und Disconto-Bank; Mitteldeutsche Kredit-Bank; National-Bank für Deutschland; Berliner Handelsgesellschaft }

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p. 84 ... French capital invested abroad:

{ According to the *Journal officiel*, September 25, 1902 }

Europe	21,012 million marks (sic! misprint?). It is now said to be about *40,000 million*
Asia	1,121
Africa	3,693
America . . .	3,972
Australia and Oceania . . .	57
	29,855

pp. 126-27: "Big German bank connections with industrial companies through participation in their supervisory boards" (table compiled by Hans Arends and Kurt Wossner from data in the *Directory of Company Directors and*

Members of Supervisory Boards, Berlin, 1903): the author gives figures by industries; take only the totals:

Methods of participation						
Through administrators . . .	101	31	51	53	68	40
Through members of its own supervisory board	120	61	50	80	62	34
By one or the other of above methods	221	92	101	133	130	74
Through chairmanship of the board, or through more than two members	98	43	36	41	46	33

p. *213*. Participation of the chief countries in maritime telegraph cables of the world:

	1898	1903
Britain	68.33%	60.2
U.S.A.	11.10	18.2
France	10.10	9.0
Germany	1.88	4.5
Russia	4.32	3.8
Japan	0.90	0.8

p. 239... Electrical firms abroad (from *Fasolt*, *The Seven Big Electrical Companies*, *Their Development*... Dresden, 1904); I take only figures on *Russia* and totals (million marks):

Group		
Siemens and Halske	33.10	104.39
A.E.G.	2.88	52.04
Schuckert	1.60	25.66
Union Elektrizitätsgesellschaft . . .	2.88	17.53
Hellos	21.60	27.70
Lohmeyer	—	5.12
Kummer	—	0.69
	Σ=62.06	233.13

pp. 245 and 246. Oil output in Rumania
in 1886 . . . . . 53,000 tons
" 1907 . . . . . 900,000 "

Foreign capital in this industry*:

{Not a bad example}

German	74	million francs
French	31	
Dutch	22	
Rumanian	16	
Italian	15	
American	12.5	(54)
Belgian	5	
British	3	
Other countries	6.5	
	Σ=185	

p. 283 et seq.

British colonial banks:
32 banks . . . 2,136 branches . . . £50,300,000 (share capital)
×25=1,257,500,000 francs
French colonial banks:
20 banks 136 branches** . . . . . 326,800,000 francs
Netherlands colonial banks:
16 banks 67 branches . . . . . 98 million florins
×2(??)=196 million francs

((a mass of purely monographic data on each big bank and on some German overseas banks))

A few examples:
(p. *631*) Deutsch-Asiatische Bank (in Shanghai) (founded February 12, 1889)
Distribution of 5,000 shares (of 1,000 thalers each)

p. 743: Deutsch-Ostafrikanische Bank, founded January 5, 1905
4,000 shares (=2 million marks)

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* See present edition, Vol. 22, p. 249.—*Ed.*
** Ibid., p. 245.—*Ed.*

1.	Board of Discontogesellschaft	805	shares —— 250
	" " Seehandlung Bank	175	
	Deutsche Bank	555	—————— 250
	Bleichröder	555	—————— 100
5.	Berliner Handelsgesellschaft	470	
	Bank für Handel und Industrie	310	
	Robert Warschauer & Co	310	—————— 100
	Mendelsohn & Co.	310	—————— 100
10.	Jacob Stern (Frankfurt-am-Main)	470	
	M. A. v. Rothschild (" " ")	310	
11.	Norddeutsche Bank (Hamburg)	380	
12.	Sal. Oppenheim & Co. (Cologne)	175	—————— 100
13.	Bayrische Hypotheken und Wechselbank (Munich)	175	
		5,000	

Deutsch-Ostafrikanische Gesellschaft	2,800
Delbrück Lev	100
Hansing & Co.	100
Van der Heydt	100
	4,000

Discontogesellschaft	800	Bleichröder	555
Deutsche Bank	555	Mendelsohn	310
Berliner Handelsgesellschaft	470	J. Stern	470
Darmstädter Bank	310	Rothschild	310
	2,135		1,645

KAUFMANN, *FRENCH BANKS*

Dr. Eugen Kaufmann, French Banks, Tübingen, 1911 (Supplement I to *Archiv für Sozialwissenschaft und Sozialpolitik).**

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* See present edition, Vol. 22, p. 214.—*Ed.*

p. *362* (I abbreviate): Development of the French network of branches since 1870 (3 big banks: Crédit Lyonnais; Comptoir National, and Société Générale)

p. 356 The same three banks

p. 37 French savings banks

	Provincial branches	Deposit offices in Paris	Σ	Own working capital shown on balance-sheet	Borrowed money	Total deposits (mill. francs)	Number of depositors (mill.)
1870	47 +	17 =	64 —	(1872) *200* mill. fr. +	*427*		
1880	128 +	68 =	195 —	253	953		
1890	192 +	66 =	258 —	265	1,245	— 3,325	7.3
1900	505 +	120 =	625 —	615	2,300	— 4,274	10.7
1909	1,033 +	196 =	1,229 —	887	4,363	— 4,773 (1906)	12.5

The French Ministry of Finance has estimated (on the basis of inheritance taxes) the national wealth at 200,*000 million* francs (1903-05)—which is below the actual figure. !!

of which *55* (27%) belongs to *18,000* persons (p. 37)
75 (37%) " " *45,000* "

p. *85*: Excursus: "***French Ownership of Securities***" N.B.

	000 million francs		Per annum
Théry's calculation (1907)	61.4	French	1,300 *million* (p. 87)
N.B.	38.5	foreign	1—or rather (he says) *1*,500 **million** francs
	99.9		

About ***100***,000 million francs

Théry (1907) estimates ownership of securities throughout the world to be 730,*000 million* francs. (*)

including 115-130 (Great Britain)
110-115 (U.S.A.)
100-100 (France)
60- 75 (Germany) { these are Neymarck's figures }

385-420

N.B. (*) p. 287, a note (E. Kaufmann):... "Thus the Deutsche Bank, which, according to the balance-sheet, has holdings of 72 million marks, dominates a group of joint-stock banks which together have about *500 million* of capital and 1,300 million of borrowed money" (cf. *Lansburgh*, "The Holdings System in German National Banking", *Die Bank*, 1910, June, p. 504).

Théry's estimate

Russian (securities)	—10.9 thousand million francs
Austro-Hungarian	— 3.65
Egyptian	— 3.05
Turkish	— 2.5
Dutch	— 1.45
Swiss	— 1.45
Italian	— 1.4
Portuguese	— 1.35
British (including colonies)	— 1.30
Belgian (" ")	— 1.25
Brazilian	— 1.20
Argentine	— 1.10
Balkan states (except Turkey)	— 1.050

HEGEMANN, FRENCH BANKS

C. H e g e m a n n, *The Development of French Big Banks*, Münster in Westphalia, 1908.

From his ***Table II*** (No. of sections—branches and deposit offices—of the same *t h r e e* big French banks) (p. 47).

	Sections abroad		Provinces		Paris	Σ
1870			62			62
1880	12	—	119	—	67	198
1890	24	—	194	—	66	284
1900	35	—	467	—	120	622
1906	44	—	660	—	179	883

!! 2 banks with 2,001-5,000 employees; 14— 101- 200; 1,635—1-4
2 — 1,001-2,000 25— 51- 100 110 ?
1 — 501-1,000 148— 21- 50
3 — 201- 500 261— 11- 20 Σ=2,945
744— 5- 10

HULFTEGGER, *THE BANK OF ENGLAND*

Otto Hulftegger, *The Bank of England*, Zurich, 1915. (Thesis.)

p. 400: Deposit increases in the Bank of England (exclusive of government money) and some big private banks:

	Deposits (£ *million*)			
	1890	1900	1912	Increase, 1890-1912
Bank of England	32.99	36.96	52.95	60%
Lloyds Bank Ltd.	19.28	51.02	89.39	364%
London City and Midland Bank	—	37.84	83.66	—
London Joint-Stock Bank	11.62	17.16	33.83	191%
National Provincial Bank of England	39.59	51.08	65.66	66%
Parr's Bank	6.21	24.22	41.68	571%
London County and Westminster Bank	—	—	81.69	—

JAFFÉ, *BRITISH BANKS*

E. Jaffé, *British Banks*, 1904 (*Schmoller's Forschungen*) No. 109).

(pp. *234-35*)

Total deposits in all banks (£ *million*)	No. of branches	No. of inhabitants per branch
1858	2,008	
1872	2,924	10,767
1880 500-510	3,554 (1878)	
1881		9,461
1890 660-670		
1891		7,249
1900 840-850	6,512	
1901		6,238
1903 840-850	7,046	
1909: 915	7,861 (1908)	5,280

from *Dictionary of Statistics*

Webb, *A Complement to Mulhall*, 1911. August Webb.

In the U.S.A. in 1907 there were 23,900 banks, 1 per 3,600 inhabitants

MEHRENS, FRENCH BANKS

Bernhard Mehrens, The Origin and Development of the Big French Credit Institutions, Berlin and Stuttgart, 1911. (*Munich Economic Studies*, Brentano and Lotz; No. 107.)

p. *311*: French capital in securities (the same figures from Neymarck, as also in Kaufmann; see preceding page of this notebook).*

French capital in securities

	000 million francs	
N.B.	1850— 9 1869— 33 1880— 56 1890— 74 1902— 90 1906—100	Annual accumulation of capital in France —about 1,500-2,000 million francs according to Neymarck (pp. 311-12),— but as much as *2,500-3,000 million* according to Leroy-Beaulieu (p. 312, note).

Total value of bills in France

in 1908 the Banque de France had 21.5 million bills valued at 12,300 million francs, p. *263*

1881— 27.2 thousand mill. fr.
1890— 25.2 (p. 211)
1900— 28.9
1907— 35.9

Capital Reserves (million francs)	
1892—250+ 69.5 1900—500+144.7 1908—575+216.2 in four banks	This is the capital and reserves of four banks: Crédit Lyonnais, Comptoir National, Société Générale + Crédit Industriel (p. 240).

WALLICH, CONCENTRATION OF GERMAN BANKS

Paul Wallich, Concentration in German Banking, Berlin and Stuttgart, 1905 (*Munich Economic Studies* No. 74, (Brentano and Lotz)) (p. 173).

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* See pp. 142-44 of this volume.—*Ed.*

{judging from a cursory examination, *nil* after Riesser, a clear but minor study, much poorer than Riesser's.}

ZOLLINGER (INTERNATIONAL BALANCE-SHEET) AND NEYMARCK

Dr. Walter Zollinger, Balance-Sheet of International Transfers of Securities, Jena, 1914. (*Problems of World Economy* No. 18, Leipzig, published by Harms.)

p. *106*: *Neymarck* (*Bulletin de l'institut international de statistique*, t. XIX, livr. II, 1912) gives the following figures of issues (22 for five years)** { cf. p. 17 in this notebook* }

000 million francs

1871-75 — 45 1876-80 — 31.1	76.1	1891-95 — 40.4 1896-1900 — 60	100.4	4-5% of 570,000 million = 22.8-28.25 million fr.
1881-85 — 24.1 1886-90 — 40.4	64.5	1901-05 — 83.7 1906-10 — 114.1	197.8	

p. 206

Ownership of Securities

(p. 223): {*A. Neymarck*}***

000 million francs

	End of 1908		End of 1910		
Great Britain	130-135		140-142	my calculation: 479 = 80%	Great Britain 142
U.S.A.	115-120		130-132		U.S.A. 132
France	103-105		106-110		Germany 95
Germany	80- 85		90-95		369 = 61%
Russia	25-27	N.B.	29-31	N.B.	
Austria-Hungary	21-22		23-24		
Italy	10-12		13-14		
Japan	6-7		9-12		
"Other countries"	33-38		35-40		
Total	523-551		575-600		

Checked with Neymarck, p. *223*

* See pp. 94-95 of this volume.—*Ed.*
** See present edition, Vol. 22, p. 239.—*Ed.*
*** Ibid., pp. 239-40.—*Ed.*

(*) The figures for these "other countries", for 1902 only (32,000 million)*:

My calculation 1910		
Approximately		
12.5	Holland	10
7.5	Belgium	6
7.5	Spain	6
6.25	Switzerland . . .	5 ← now 6, author believes
3.75	Denmark	3
2.5	Sweden, Norway, Rumania, etc. .	2
40		32,000 million francs

This according to Zollinger

(*) W. *Zollinger*, "International Transfer of Securities and Investment of Capital Abroad, and Their
N.B. Influence on Producers and Consumers", in *Zeitschrift für die gesamte Staatswissenschaft*. 69th year, No. 3.

Cf. *Ferdinand Moos*, "French Credit Institutions and
N.B. French and English Capital Investments Abroad". *Jahrbuch für Nationaloekonomie und Statistik*, third series, Vol. 39, 1910.

Switzerland has about 2,600 million francs worth of "foreign securities" (p. 147),

while France has about *900 million* francs in Switzerland—(1903) (148).

Swiss *railway* securities are held by

(Zollinger, p. 150)

	Million francs
France	— 420
Germany	— 67
Belgium	— 8
Britain	— 3
Holland	— 2
	Σ=500 mill. fr.

* See present edition, Vol. 22, p. 240.—*Ed.*

In *Switzerland*, foreign workers in industry = 24.4 per cent of all workers (Σ = 625,299), including 85,866 = 13.7 per cent *Italians*.

(Zollinger, p. 108) Security issues in Germany (from *Der Deutsche Oekonomist*)

	Securities: Home	Foreign	Σ	
1886-90	4.4	+ 2.3	= 6.7	thousand million marks
1891-95	4.8	+ 1.5	= 6.3	
1896-1900	8.2	+ 2.4	=10.6	same figures in Neymarck, p. *232*
1901-05	8.3	+ 2.1	=10.5	
1906-10	12.6	+ 1.5	=14.1	

Security issues in France (Zollinger, p. III)

	French		Foreign		000 million francs
1902	— 64	+	66	=	130
1906	— 65	+	68	=	133
1910	— 69	+	73	=	142

"At the end of 1910, the world total of securities quoted and negotiable in the various financial markets was 815,000 million. Of this sum, 570,000-600,000 million are owned by nationals of various countries" (p. 223: Neymarck).

..."In fact, one must not confuse—as we always emphasise—the total value of securities quoted on one or several markets with the total owned by the capitalists of these countries. A security issue may be quoted and negotiated in several markets at the same time" (p. 203).

The author deducts the approximate sum of these duplications, arriving at a total of 575,000-600,000 million instead of 815,000.* N.B.

p. 201 et seq. *Bulletin*. Alfred *Neymarck*, "International Statistics of Securities".

Bulletin de l'institut international de statistique, p. 201. et seq.**

This article is *Neymarck*'s *ninth* study on this subject (the other eight are in *volumes* IX; XI, 2; XII, 1; XIII, 3; XIV, 2; XV, 2; XVI, 1; XVII and XVIII, 2). N.B.

* Ibid., p. 239.—*Ed*.
** Ibid.—*Ed*.

N.B. They also contain several other of his articles on *the same* subject. See *index* in XIX, 3, for all 19 volumes

19 volumes (mostly with 2-3 numbers each)
Volume 1—1885
Volume 19—1911

In the present article, *Neymarck* also gives the following annual data on issues from 1871 to 1910:

39.1; 76.1 — 39.1 = 37.0 ÷ 7 = 5.3

1871	15.6	12.6	10.9	4.2	1.7	3.7	7.9	4.6	9.4	5.5	(1880)
[1881]	7.2	4.5	4.2	4.9	3.3	6.7	5.0	7.9	12.7	8.1	
(1891)	7.6	2.5	6.0	17.8	6.5	16.7	9.6	10.5	11.3	11.9	
(1901)	9.9	21.9	18.3	14.4	19.1	26.5	15.3	21.2	24.6	26.5	

Foreign capital

N.B.

Great Britain . . .	85,000 million francs	(1910)	(p. 216)
France	40,000 ”	”	
Germany	20,000-25,000	”	

Foreign trade (imports and exports) of all countries (*000 million* francs)

1867-68 — 55,000 million francs	}	Neumann-Spallart's figures (p. 219)
1876 — 70,000 ” ”		
1889 — 93,000 ” ”		
1910 — 132,000 _____	}	Neymarck's figure (p. 218)

↑

	000 million francs		
Germany	20	U.S.A.	25
Great Britain . .	25	India (British) . . .	6
France	13	Japan	2.3
Belgium	6.7	Canada	3.5
Austria-Hungary	5.4	South Africa (British)	3
Italy	5.2	Egypt	2.2
Switzerland . . .	2.8		
Spain	2.0		42.0
	80.1		

80.1 + 42.0 = 122, but author counted 132!!??, and only for these countries!!!

The railways of the world (983,868 km. in 1909) are worth about **270**,*000 million* francs (p. 223).

	1885	1905	1909	
Europe	195.2	305.4	325.2	thousand km.
Asia	22.4	77.2	94.6	
America	246.1	450.6	504.2	
Africa	7.9	26.1	30.9	
Oceania	12.9	27.0	28.9	
	484.5	886.3	983.8	

The concluding words are amusing. §IX is headed: "International Public and Private Wealth and World Peace" (p. **225**)—..."Is it possible to believe that peace may be disturbed ... that in the face of these enormous figures anyone would risk starting a war?... Who would dare to incur such a responsibility?"...*

cf. Kautsky on "ultra-imperialism"[16]

"According to our previous statistics, the total of state funds and of securities, French and foreign, belonging to French capitalists could reach the following figures":

Years: end	000 million francs	of which foreign
1850—	9	
1860—	31	
1869—	33	10
1880—	56	15
1890—	74	20
1902—	87 to 90	25 to 27
1910—	106 to 110	38 to 40

N.B. {Page 289} { cf. p. 67 of this notebook** }

Distribution of French capital invested abroad by countries (p. 290):

	000 million francs	N.B.	
Russia	10-11***	Spain and Portugal	3-4
Britain	½	U.S.A. and Canada	2-3
Belgium and Holland	½	Egypt and Suez	3-4
Germany	½	Argentina, Brazil and Mexico	4-5
Turkey and Serbia	2-2½	China and Japan	1-2
Bulgaria, Rumania and Greece	2-3	Tunisia and French colonies	2-3
Austria-Hungary	2-2½		
Italy	1-1½		
Switzerland	½		

Σ (mine) = 34-43½

* See present edition, Vol. 22, p. 288.—*Ed.*
** See p. 146 of this volume.—*Ed.*
*** See present edition, Vol. 22, p. 243.—*Ed.*

TAYLOR, *SHOP MANAGEMENT*

Fred. W. Taylor, Shop Management (translation and **additions** by ***Wallichs***). Second edition, Berlin, 1912.

Wallichs visited America in 1911. An example "from the Bethlehem steel plant" (p. 17):

	now	*formerly*
Total cost of transporting 924,000 tons	130,000	280,000 marks
Cost per ton	0.139	0.304 "
Earnings per worker	7.80	4.80 "
Tons transported per worker	57	16!!!

Another example (in marks) (p. 32)

	formerly		*now*
Daily wage	10.0		14.50
Machine costs	14.0		14.00
Total daily costs	24.00		28.50
Costs per item	÷5 =4.80	{ items per day }	÷10 =2.85

sic!! "It should be borne in mind that at first a certain resistance is to be expected, especially from the backward section of the workers, who will always try by persuasion to prevent piece-workers from reaching the highest productivity" (28).

"...the difficult period of transition from the slow pace of ordinary work to the high speed which is the leading characteristic of good management" (29)....

p. 9: "The main aim of systematic go-slow practices is to keep the shop management ignorant of the potential productivity of machines and workers.

"This go-slow technique is so universal that hardly a competent workman can be found in a large establishment with conventional wage systems who does not devote a considerable part of his time to studying just how slowly he can work and still convince his employer that he is going at a good pace" (9)....

"Since 1883, the author has been introducing his method in the most diverse United States industries, and has never had to face strikes. He believes that, under his system, strikes are inevitable only if the majority of the workers belong to a union whose rules are so inflexible that members are allowed to work only on terms laid down by the union" (25).... !!

Another example (p. 33 et seq.). Girls tested polished steel balls *by hand*, rejecting them as spoilage if roughnesses, etc., were found.

Observation, control and "time studies" were introduced and the best workers chosen, etc., etc. "It turned out that the girls spent a considerable part of their time talking, or actually doing nothing. The most negligent girls were set apart or, if incorrigible, dismissed" (35)....

(p. 35)	*formerly*	*now*
Results: number of girls	120	35
their weekly wage	15—19 marks	27—35 marks
working day	10½ hours	8½ hours
quality of work	100%	158%

"System of functions" of the **foremen**

I) *in the workshop*

1. Organising foremen (of the work itself)
2. Foremen to adjust speed of work
3. Testing foremen
4. General supervisory foremen (order).

II. *in the office*

1. Route Clerk—sets tasks for each shop
2. Instruction Card Clerk—specifies how the job is to be done
3. Time and Cost Clerk
4. Shop Disciplinarian (general supervision)

N.B. It is a mistake to suppose that the factory works the better the fewer the number of its "non-productive" workers (productive = physical labour; "non-productive = supervisors, etc., foremen, etc.). *On the contrary.*

p. 50 [§133 (281-83)]. The best factories have one "non-productive" to six or seven productive workers. The worst have one "non-productive" to eleven productive.

p. 63. In the **excellent** Tabor Manufacturing Co. (with about 100 workers; makers of instruments and moulding-machines), **Wallichs** found one office employee to *three* workers!!!

p. 67. Conditions for "reform" ((time required for it = *2-4* years!!)) ... "that a body of workers of exceptionally high productivity should be enlisted, who will work extra hard and receive extra high wages"...

..."that the number of supervisory foremen and officials should be at least doubled" (67).

((Written reports at least in the form of *printed* index cards for *e a c h* worker!! not to speak of foremen!!))

N.B. ..."however, quite a long time is still needed before they (the workers) learn to stay steadily at their work and make every minute count. Many of them, with the best of intentions, will fail in this and find that they have no place in the new organisation" (69).

N.B. ..."the opportunity of becoming a foreman or senior worker has become far greater, for under the new conditions an increased number of them are required" (75).

(*w i n n i n g o v e r* and *b u y i n g u p* workers by *t u r n i n g* them *i n t o* foremen)

Time and motion studies are very difficult. A certain engineer (Sandford E. Thompson) (p. 81), for instance, spent **six** years conducting them in the building trades!!! He took every stop-watch observation himself and worked up and tabulated his data with the help of two assistants! ((Excavation, masonry, carpentry, cement work, plastering, and so on and so forth))

..."the tables and descriptive matter for one of these trades alone take up about 250 pages"....

!

Further, by *tenths* of a second (p. 84) (special watches)—the smallest operations were studied (putting down a spade; taking up a wheel barrow; moving a wheel barrow; placing a wheel barrow; taking up a spade, etc., etc.), and measurement made (cubic metres) of the size of a wheel barrow, *idem* of a spade, etc., etc.

For measurement, the *best* (91) workers are to be chosen and paid a *higher* pay (**promising** an increase of pay)....

Yet another example: overhauling and cleaning of boilers. The author told his assistant to study this. The latter was a novice and did *nothing*. The author personally carried out the work, making a careful time study. It turned out that a great part of the time was lost owing to the "constrained position" of the workman (99). "*Protective pads*" were made "to fasten to the elbows, knees and hips, and special tools and appliances were made for the various work operations," etc., etc. (100).

"The whole scheme [many pages: how to perform the work] was much laughed at when it first went into use".... The result: cost of overhauling and cleaning of a set of boilers of 300 *h.p.* fell from **250** marks to **44** marks!!!

250 and 44

In the ten years the author worked at the Midvale Steel Works there were no strikes. The best workers did not join the unions, for they received the best (highest) pay.

"The firm followed the policy of raising the wages of each employee on a suitable occasion and promoting all who deserved it. A careful record was kept of each man's good points as well as his shortcomings, which was especially the duty of the foremen, so that justice could be done to each. When men throughout an establishment are paid according to their individual worth, it cannot he in the interest of those receiving high pay to join a union with the cheap men" (101).

There is a lot of talk about the unity of interests of the working class and the employers, etc. The author is *for* fines as the best disciplinary measure.... Fines for the benefit of the accident insurance fund ((from five pfennigs to 250 marks—the size of the fines *both against* officials *and against* oneself!!))....

N.B. Under capitalism a "*torture* or a **conjuring trick**" only *60,000* workers } Wallichs's supplementary chapter ("Recent Successes")—in all, he says, about 60,000 workers in America are working on the principles of the reorganised institutions (well-thought-out leadership) (109)....

Gilbreth introduced it into the work of bricklayers and raised the number of bricks laid per worker from 120 to 350 per hour (109) by reducing the number of operations from eighteen to five....

Congress has appointed a committee to study the *Taylor* system (109)....

of course! Very influential workers' unions are against the Taylor system (110)....

(Wallichs): ..."The expression 'well-thought-out leadership' is only a phrase, true!!! the content of which is better denoted by 'intensive productive activity'" (111-12)....

Appendix. Discussion. Many maintain that Taylor is *reckoning without* his host: the workers' organisations will not permit it (119, 116 and others).

p. 129: Oberlin Smith proposes teaching the Taylor system in the schools....

End

SEUBERT, *THE TAYLOR SYSTEM IN PRACTICE*

Dipl. Ing. *Rudolf Seubert*, *The Taylor System in Practice*, Berlin, 1914.

The author spent eight months studying the Tabor Manufacturing Co. (Philadelphia) and promises a *detailed* practical description.

p. 6: "Those well acquainted with German and American conditions will at once concede that, as regards economic use of material, German industry is far in advance of American, but,

on the other hand, as regards economic use of human labour-power, Germany has still much to learn from the U.S.A." (7).... || characteristic!

"Time studies" are better called "productivity studies": not only is the *time* observed, but the *best work methods* are studied and deduced (9-10)....

—"The science of work" (10) |||| N.B.

Movement is studied by the cinematograph—a slanting position facilitates handling of the material (without looking) etc., etc. "No unnecessary or purposeless movements" (15). ||| N.B.

The method must be put into effect cautiously, in keeping with American *democratic* customs (p. 22) so that it shall not be regarded as "torture" (22). ||| sic!!!! N.B.

The wage increase is usually one-third, whereby the worker receives

an amount that, "as regards his position, already puts him (if + one-third) at the economic level of a fairly well-paid tradesman or technician" (22).... ||||| N.B. bourgeoisifying!!!

p. 30: "On the average" the Taylor reform takes "**five years**". The Tabor Manufacturing Co. was "in danger of **bankruptcy**" because of the expense of introducing the Taylor system. !!

The Tabor Manufacturing Co. was founded in the 1890s. In 1904 there was a strike (half-won). Things were going badly. Taylor offered to provide money if he were allowed to reorganise (32). Accepted.

After **five** years: production increased 80%;
costs decreased 30%;
wages increased 25%;

in 1912
45 workers (33)
48 (!!sic!!!) *officials* and *foremen* ((usually 1 : 3)) (clerks) (office workers and foremen). ||

Next come copies of the "keys" (abbreviations), formulas, papers, instructions—a mass of written material, highly complex ... office workers call it the "talmud" (p. 35)....

One employee is engaged solely in studying productivity (time studies), which enables him to study deeply all hand movements and operations, and to *improve* them.

...“In this way, hardly a day passes in the Tabor Manufacturing Co. without some aspect of the work being tested through productivity studies for its expediency and found capable of improvement” (107).

N.B.

N.B. p. 153: “Time and motion studies” = the most “interesting” and the most “sensational” feature of the Taylor system.

[Hours—hours and hundredths of an hour (p. 124). More convenient.]

Difficulties in applying the system in Germany: “In Germany, the social stratification of the working classes is a difficulty that should not be underestimated. In Germany, an academically educated man prefers to address one not so educated in a tone of command, and the same thing applies between the engineer and the foreman, and between the foreman and the worker. Under the Taylor system, where they must feel themselves co-workers, such a tone will no longer be permissible” (152).... It will take years to become accustomed to “workers being promoted to the posts of foremen and officials”....

!! N.B.

End

GILBRETH, *MOTION STUDY*

Frank B. Gilbreth, Motion Study as an Increase of National Wealth. (*Annals of the American Academy*, 1915, May, p. 96 et seq.)

...“The motions of every individual, no matter what his work may be, have been studied and standardised....

...“In laying bricks, the motions used in laying a single brick were reduced from 18 to 5, with an increase in output from 120 bricks an hour to 350 an hour. In folding cotton cloth, 20 to 30 motions were reduced to 10 or 12, with the result that instead of 150 dozen pieces of cloth, 400 dozen were folded, with no added fatigue. The motions of a girl putting paper on boxes of shoe polish were studied. Her

?

methods were-changed only slightly, and where she had been doing 24 boxes in 40 seconds, she did 24 in 20 seconds, with less effort. Similar studies have cut down the motions not only of men and women in other trades but also of surgeons, of nurses, of office workers; in fact, of workers in every type of work studied"... (96-97).

Assembly of braiding machines ... "where eighteen braiders had been assembled by one man in a day, it now becomes possible to assemble 66 braiders per man per day, with no increase in fatigue" (97)....

The latest method 1) micro-motion studies ... 2) use of the "chronocyclograph" (97)....

I. The "micro-motion clock" is placed in front of the worker and it registers "different times of day in each picture of a motion picture film" (98)....

II. "The chronocyclograph method of making motion study consists of fastening tiny electric light bulbs to the fingers of the operator, or to any part of the operator or of the material whose motion path it is desired to study"... (the movement of the light, its track, is photographed) (98).

These studies are in the interest of society as a whole.... "One typical result is the gradual filling in of the gap between the school and the plant. An intensive study of motions is proving that there are far greater likenesses in trades, and even professions, on the mechanical side, than we have ever believed possible. The demand of the industrial world will be more and more for young workers trained to be fingerwise" (101)....

!! N.B.

This must be taught in the schools.

..."fingerwise, that is, training his muscles so that they respond easily and quickly to demands for skilled work"....

At present an "enormous waste" (102) is occurring from scattered, duplicated, etc., "investigations".... "It is the work of the United States Government to establish such a bureau of standardisation of mechanical trades. The standards there derived and collected would be public property, and original investigators could invent from these standards upwards" (103)....

a splendid example of technical progress under capitalism towards socialism.

JEIDELS, *RELATION OF THE GERMAN BIG BANKS TO INDUSTRY*

Dr. Otto *J e i d e l s*, *Relation of the German Big Banks to Industry with Special Reference to the Iron Industry*, Leipzig, 1905 ((Volume *24*, No. *2* of *Schmoller*'s *Forschungen*)).

The preface is dated: June 1905

Impossible to read *after* Riesser: repetitions, raw material, minor facts, nothing new.
This refers only to the beginning of the book. Apparently, Riesser stole from it. When it comes to the relationship to **industry**, Jeidels is richer, livelier, cleverer, more scientific.

a common phenomenon || p. 18: An example: the buying up of shares (1904) of the Gelsenkirchener Bergwerksgesellschaft in order to elect *Thyssen* on to the "Supervisory Board" (!!).

p. 57: Number of (joint-stock) banks and private bankers taking part in the issue of industrial stocks:

	No. of bankers	Issues per banker	No. of banks	Issues per bank
1871-72	90	4.4	31	6.1
1899	34	2.7	16	12.4

p. 103: The brothers Mannesmann sold their patents for "seamless pipes" for *16* million marks (!) (1890).

Every crisis (1857, 1873, 1900) leads to concentration, but especially 1900:

> "Side by side with the gigantic plants in the basic industries, the crisis of 1900 still found many plants organised on lines that today would be considered obsolete, the 'pure' [non-combined] plants, which were brought into being at the height of the industrial boom.

The fall in prices and the falling off in demand put these 'pure' enterprises in a precarious positions which did not affect the gigantic combined enterprises at all or did so only for a very short time. As a consequence the crisis of 1900 resulted in a far greater concentration of industry than the crisis of 1873; the latter crisis also produced a sort of selection of the best-equipped enterprises, but owing to the level of technical development at that time, this selection could not place the firms which successfully emerged from the crisis in a position of monopoly. Such a durable monopoly exists to a high degree in the gigantic enterprises in the modern iron and steel and electrical industries owing to their very complicated technique, far-reaching organisation and magnitude of capital, and, to a lesser degree, in the engineering industry, certain branches of the metallurgical industry, transport, etc." (108)....*

N.B.

monopoly

p. 111: When it was found necessary to make the firm *Phoenix* join the *Stahlwerksverband*, the Schaaffhausenscher Bankverein bought up the *majority* of its shares and ensured the adoption of the required decision.

In the same way, the *Dresdner Bank* "won" two places on the Supervisory Board of the Königs- und Laurahütte iron and steel mills (four years ago) and carried through what it wanted....

The role of the Supervisory Boards is very wide (in fact it could be = *management*)....

..."Seats on Supervisory Boards are freely offered to persons of title, also to ex-civil servants, who are able to do a great deal to facilitate relations with the authorities"...** (149).

sic! (simple!)

"Usually, on the Supervisory Board of a big bank, there is ... a member of parliament or of the Berlin City Council" (152)....***

the usual story!!

* See present edition, Vol. 22, p. 209.—*Ed.*
** Ibid., p. 221.—*Ed.*
*** Ibid.—*Ed.*

155 (in fine)... "But the cases quoted [a number of "**names**" are cited: Dernburg—director of the Darmstädter Bank, Gwinner—director of the Deutsche Bank] clearly show that Industrial leaders are mainly on the Supervisory Board of companies of the same branch or the same region, whereas directors of the big banks, on the other hand, are on the boards of the most diverse enterprises"....

1. The director of the *Schaaffhausenscher Bankverein* is on the Supervisory Boards of *33* companies!! (p. 155).

p. 150: an example of *35* seats on Supervisory Boards being in the same hands... (35).

p. 156... "Simultaneously with this widening of the sphere of activity of certain big industrialists and with the assignment of provincial bank managers to definite industrial regions, there is a growth of specialisation among the directors of the big banks. Generally speaking, this specialisation is only conceivable when banking is conducted on a large scale, and particularly when it has widespread connections with industry. This division of labour proceeds along two lines: on the one hand, relations with industry as a whole are entrusted to one director, as his special function; on the other, each director assumes the supervision of separate enterprises, or of a group of enterprises in the same branch of industry or having similar interests. One specialises in German industry, sometimes even in West German industry alone, others specialise in relations with foreign states and foreign industry, in information on the characters of industrialists, and others, in Stock Exchange questions, etc. Besides, each bank director often assigned a special locality or a special branch of industry; one works chiefly on Supervisory Boards of electric companies; another, on chemical, brewing, or beet sugar plants, a third, in a few iso-

"supervision" of social economy

N.B.

lated industrial enterprises, but at the same time works on the Supervisory Boards of non-industrial companies, such as insurance companies. To demonstrate this from the example of some Berlin bank directors would take us too far into the personal sphere. In short, there can be no doubt that the growth in the dimensions and diversity of the big banks' operations is accompanied by an ever greater division of labour among their directors with the object (and result) of, so to speak, lifting them somewhat out of pure banking and making them better experts, better judges of the general problems of industry and the special problems of each branch of industry, thus making them more capable of acting within the respective bank's industrial sphere of influence. This system is supplemented by the banks' endeavours to elect to their Supervisory Boards or those of subordinate banks, men who are experts in industrial affairs, such as industrialists, former officials, especially those with experience in the railway service or in mining,* from whom they want not so much connections with industrial enterprises as expert advice—advice, based less on academic education than on many years of technical, business and human experience"... (157).

N.B.

"system"

..."But as member of a Supervisory Board, a bank director has not only the advantage of being interested in conscientious performance of his office because of his responsibility to the bank; he also is the best informed as to the state of the market and can make his large office staff carry out the commercial and technical

N.B.

* See present edition, Vol. 22, pp. 221-22.—*Ed.*

view of the "whole"

assignments of the Supervisory Board. It is his knowledge of many companies that facilitates his judgement of a particular one and guards him against the overestimation that is often observed when a private person sits on the board of only one company" (157-58).

At the end of 1903, representation of the German big banks on the **SUPERVISORY BOARDS** of industrial companies was as follows (pp. 161-62)* :

	Deutsche Bank	Discontogesellschaft	Darmstädter Bank	Dresdner Bank	Schaaffhausenscher Bankverein	Berliner Handelsgesellschaft	(My) total for *six big banks*
By directors	101	31	51	53	68	40	344
By members of Supervisory Board . . .	120	61	50	80	62	34	407
Total . . .	221	92	101	133	130	74	751
By Chairman or more than two S.B. members . .	98	43	36	41	38	33	289
							1,040

Copied from Riesser? Cf. pp. 170-71: members of Supervisory Boards according to *branches of industry*... pp. 137 and 139: issue of industrial securities

"universal nature"

..."The universal nature of banking operations in industry, as so far described, the possibility and necessity for a big bank systematically to use regular business

* See present edition, Vol. 22, p. 221.—*Ed.*

transactions, the granting of industrial credit, the issue of securities, and representation on Supervisory Boards, as a means of close and lasting relations with industrial enterprises—all this weaves such a tight net around the bank and the industrial enterprise that a competitive struggle with the latter over a particular business operation is often, and in the case of many companies permanently, excluded" (163)....

"a tight net"

"An examination of the sum total of industrial relationships reveals the universal character of the financial establishments working on behalf of industry. Unlike other kinds of banks, and contrary to the demand sometimes expressed in the literature that banks should specialise in one kind of business or in one branch of industry in order to prevent the ground from slipping from under their feet—the big banks are striving to make their connections with industrial enterprises as varied as possible in respect of the locality or branches of industry and are striving to eliminate the unevenness in the distribution of capital among localities and branches of industry resulting from the historical development of individual enterprises*. Hand in hand with this is the effort to base relations with industry on regular, lasting business connections, to give expression to them and to afford them the possibility of becoming wider and deeper by means of a ramified system of seats on Supervisory Boards. Compared with these two spheres of influence, the issue of stock is of relatively less importance for the big banks' relations with

"universal character"

"unlike" (the old)

* Ibid., p. 223.—*Ed.*

the "tendency"

industry. One tendency is to make the connections with industry general; another tendency is to make them durable and close. In the six big banks both these tendencies are realised, not in full, but to a considerable extent and to an equal degree" (180)....*

"new" relations of industry and the banks

"The connections between the banks and industrial enterprises, with their new content, their new forms and their new organs, namely, the big banks which are organised on both a centralised and a decentralised basis, were scarcely a characteristic economic phenomenon before the nineties; in one sense, indeed, this initial date may be advanced to the year 1897, when the important mergers took place, and when, for the first time, the new form of decentralised organisation was introduced to suit the industrial policy of the banks. This starting-point could perhaps be placed at an even later date, for it was the crisis of 1900 that enormously accelerated and intensified the process of concentration of industry and of banking, consolidated that process, for the first time transformed the connection with industry into an actual monopoly of the big banks, and made this connection much closer and more active" (181)**....

"scarcely before the nineties" 1897

crisis (1900)

after the crisis of 1900 (depression)

..."The sudden concentration in the Rhine-Westphalian mining industry, the formation of the Federation of Steel Plants, the mergers of the big electric companies, etc., have undoubtedly greatly accelerated practical solution of the question of the connections between the banks and industry" (182)....

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* See present edition, Vol. 22, p. 223.—*Ed.*
** Ibid., p. 225.—*Ed.*

..."Modern industry has led the banks into entirely new fields of economic life ... the bank is to a certain extent passing from its role, in the main, of intermediary into the sphere of industrial production.... In this way [through the connection with industry] the big banks are in touch not only with development trends in individual plants, but also with the interrelationship between the different plants of a given industry and between different industries" (183)....

N.B.

"Anyone who has watched, in recent years, the changes of incumbents of directorships and seats on the Supervisory Boards of the big banks, cannot fail to have noticed that power is gradually passing into the hands of men who consider the active intervention of the big banks in the general development of industry to be necessary and of increasing importance. Between these new men and the old bank directors, disagreement on this subject of a business and often of a personal nature is growing. The issue is whether or not the banks, as credit institutions, will suffer from this intervention in the industrial production process, and whether they are sacrificing tried principles and assured profit to engage in a field of activity which has nothing in common with their role of middlemen in providing credit and which is leading the banks into a field where they are more than ever before exposed to the blind forces of trade fluctuations. This is the opinion of many of the older bank directors, while most of the young men consider active intervention in industry to be a necessity as great as that which gave rise, simultaneously with big modern indus-

N.B.

transition... to what?

try, to the big banks and modem industrial banking. The two parties are agreed only on one point: there are neither firm principles nor a concrete aim in the new activities of the big banks" (184)*.

"Banking business with foreign countries and abroad falls into three divisions, each of which corresponds to a definite stage of development: international payments, the taking up of foreign loans, and participation in industrial enterprises broad ... each ... has impressed its stamp on a definite period in the foreign policy of the German big banks.

1
2
3

..."On the significance of loans for German home industry, a business manager of the Discontogesellschaft, which specialises in foreign operations, made the following statement ten years ago to the Stock Exchange Enquiry Commission (*Proceedings of the Stock Exchange Enquiry Commission*, p. 371, statement by Russel): 'I should consider it a very great disadvantage if ... the floating of foreign loans in Germany was put, not in the hands of German capital and the German banks, but in foreign hands. It was to avoid this that the Foreign Ministry was so greatly—and in my opinion so rightly—interested in our having commercial offices, bank branches and contacts abroad. For only through such contacts can the desired foreign orders for German industry be found.

N.B.

N.B.

..."'The universal complaint of our export industry is that Germany lags greatly behind London in the big-order market. Almost all orders are concentrated in London, in this great world market, and it is only our closer connection with individual foreign firms that gives rise to a busi-

N.B. "orders"

* See present edition, Vol. 22, pp. 224-25.—*Ed.*

ness relationship and regular employment for industry'" (186-87)....

..."In the dealings of the German big banks with foreign industrial enterprises, we should distinguish two stages, differing in basis and in time. The first, taken historically, coincides approximately with the flourishing period of foreign loans and relates, therefore, to different years in different countries: the seventies and eighties can be regarded as the heyday of *foreign railway construction*" (187).

two stages

railways

Two subtypes ("opposite poles"): the *Rumanian* railways and participation in *American* railways.

"This first stage is marked by participation in foreign industry being closely bound up with loan activity, although German home industry, as a supplier, can derive some benefit from this. The powerful initiative of the banks is decisive, but it only indirectly concerns industry, their main attention being devoted to profitable investments in foreign securities. It requires a situation in which home industry is not yet so concentrated and, at the same time, so expanding as it has become since the nineties.

since the nineties

In the second stage, on the contrary, foreign loans are of less importance, while the interest of the big banks in foreign industry increases, for this is less dependent on other financial connections with the country concerned. The big banks more frequently sponsor, or co-sponsor, industrial companies in other countries and, at the same time, collaborate closely with German home industry in foreign business operations" (188)....

second stage

..."In foreign expansion these [German concerns] are much more dependent on

the banks than in their domestic operations.... The bank operating abroad [in contrast to domestic operations], however, feels itself at home, has its branches, controls international payments, and might even be connected with the government of the given country by helping it float a loan" (189)....

4 forms

"Four forms of bank participation in foreign industrial enterprises can be distinguished: 1. The formation of branches or subsidiary enterprises for German home industry....

..."2. The formation ... of separate foreign enterprises which are only loosely or not at all connected with home industry.... But the really characteristic case is afforded by the recent *exotic* railway projects and the East Asian enterprises of the big banks jointly participating in the German-Asiatic Bank".... This is already "*a link in the conquest of an economic region*" (190).

my italics

(Baghdad—China, etc. Colonies.)

..."3. A third form is attempts by the big banks to secure a place for themselves in an industry abroad by founding their own enterprises, or in many cases merely by acquiring an interest in existing ones"... (191) holdings in South African *mining companies* (Deutsche Bank since 1894, etc.).

4. ..."The German banking world has also sought to secure for itself, or for German capital behind it, exclusive exploitation of some branch of industry abroad" (192) ... for example, the efforts "to organise under its control a part of the *oil* industry, mainly the Rumanian....

establish "its own" industry

division of the world

..."The world oil market is even today still divided between two great financial groups—Rockefeller's American Standard

Oil Co., and Rothschild and Nobel, who control the Russian oilfields in Baku. The two groups are closely connected. But for several years five enemies have been threatening their monopoly" (193):

(1) exhaustion of the American oil sources;
(2) the competition of the firm of Mantashev & Co. in Baku;
×(3) the Austrian oilfields;
×(4) the Rumanian oilfields;
×(5) overseas oilfields, particularly in the *Dutch* colonies (the extremely rich *Samuel*, and *Shell* Transport and Trading Co.).*

× = Participation of the *Deutsche Bank* and other German banks.

..."The driving force of the banks' activity abroad is not national zeal but the necessity, which becomes ever more imperative at a certain stage of capitalist development, of establishing abroad a favourable field for the investment of free German capital" (197)....

an elementary truth

"A similar role [aid to industrial enterprises] is played by the banks in establishing societies for technical research, the results of which are intended to benefit friendly industrial enterprises. Such, for example, are the Electric Railway Research Association, the Central Bureau of Scientific and Technical Research, set up by the Loewe concern, and the Central Mining Bureau, Ltd., in Frankfurt-am-Main, which is financed by leading banks as well as big industrialists" (210-11).**

technical role of the big banks (finance capital)

* See present edition, Vol. 22, pp. 248-49.—*Ed.*
** Ibid., p. 224.—*Ed.*

Sometimes the banks *bring* various industrial enterprises *into closer association* (in some cases leading to a cartel, in others assisting specialisation, etc.)....

bank = "inner connection" between enterprises

..."The bank to a certain extent embodies here the inner connection between a large number of enterprises which results from the development of large-scale industry; it represents the community of interests existing between them" (215)....

"What a rich opportunity of giving employment to friendly industrial enterprises is afforded the *Deutsche Bank* by such an undertaking as the Baghdad Railway!" (217)....

N.B. growth of connections

"However 'incidental', so far, the closer association has been of various enterprises and industries through the granting of bank-sponsored orders, it is at any rate an important symptom that with the growth of large-scale industry the connections become more numerous, and increasingly complicated and imperspicuous. The connections and interdependence of various industries and enterprises find in the big banks an organ which gives them expression and more and more makes the latent connection into a real hand-in-hand collaboration" (219).... N.B.

!!

Complaints are heard of the "*terrorism*" of the banks—(219-20)—*they make it compulsory* (for orders and so on) to deal with a particular firm (220).

banks and ruin of enterprises

In the electrical industry a special role was played by the crisis (apparently 1900), and the banks intensified and accelerated the ruin of the relatively small enterprises and their absorption by the big ones (pp. 230-32).... "The banks refused a helping hand to the very firms in greatest need of capital, and brought on first a frenzied

boom and then the hopeless failure of the companies which were not connected with them closely enough" (232).*

details about the electrical industry not interesting. Cf. *more recent* ones in *Die Neue Zeit*. N.B.

The Loewe group

The Loewe sewing-machine factory, founded in 1889, added production of armaments, then later (in the seventies and eighties) ordnance, boilers, etc., etc., and later still electrical industry, subsidiary companies, etc. [not very well described by Jeidels].

In a § on the relation of the big banks to the cartels (253-58), the author has somewhat "spread himself" and become incoherent. He distinguishes four forms: (*1*) indifference (to unimportant cartels); (*2*) "definite interest" (254) in cartels such as that of the *coal* industry (in cartels which are *life-and-death questions* for the industry);

(3) "help" for a cartel, e.g., steel industry; difference from No. 2? not "definite interest"?

(4) a purely "banking relation"—the organisation, for example, of a "syndicate office" at the *Schaaffhausenscher Bankverein* (1899)....

258-65: description of concentration in the coal industry (Thyssen and others). See Werner's better and newer material in *Die Neue Zeit*, 1913, in the other notebook.**

265 et seq., the *electrical* industry (see in *Die Neue Zeit****).

"The banks' highest principle here is primarily *conscious* promotion of concentration, which they have already indirectly assisted by financial support of successful enterprises" (268)....

"The transformation of the big banks' industrial policy from being the policy of a credit institution to a policy of indus- "transformation"

* See present edition, Vol. 22, p. 246.—*Ed.*
** See Notebook "α", pp. 33-35 of this volume.—*Ed.*
*** See p. 338 of this volume.—*Ed.*

trial concentration reveals a triple contradiction in the development of modern banking" (268)....

1) ..."The fact of progressive exclusion of competition among the big banks" (269)....

2) "Decentralisation" of the banks (local branches and connection with provincial banks) leads to an "increasing coalescence of capitals, uniting bank and industry into an integral whole"....

3) ..."increasing concentration implies a more purposeful organisation".... (270)

"By expansion of industrial combination, various directions of which can be seen in the electrical and in large-scale iron and steel industries, the sphere of this consciously guided production can be considerably enlarged, and in this unmistakable movement the big banks are an important factor" (270)....

And the tendency is special patronage of *heavy* industry (coal and iron) to the detriment of any other....

N.B. "The striving of the big banks for concentration and purposeful guidance of industry is contradictory when it is restricted to certain branches of industry and thereby results in a still greater lack of co-ordination in other branches" (271).*

End

STILLICH AND *WORLD ECONOMY*

A NOTE

Dr. Oskar *Stillich*, *Economic Studies in Big Industrial Enterprise*. Vol. I. *The Iron and Steel Industry*, Berlin, 1904.

II. *The Coal Industry*, Leipzig, 1906.

On looking through these, it is evident that they are *descriptions of individual* big enterprises (*technical*, **commercial**, and in part of the position of the workers).

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* See present edition, Vol. 22, p. 208.—*Ed.*

{{ Only about individual enterprises. No summaries, no conclusions.... }}

Of the literature mentioned, note the reference to *J. German*, "*The Qualifications of Factory Workers*", in *Die Neue Zeit*, 21st year, Vol. II, No. 30. N.B.
((on the ousting of unskilled workers by machines and the increasing role of skilled workers where machines are used))

World Economy—"A Yearbook and Textbook." Published by Ernst von *Halle*.

Year of publication I. 1906
II. 1907
III. 1908

Each volume consists of three parts: 1) International surveys; 2) Germany; 3) Other countries.

The surveys are *worse* than in Neumann-Spallart, for they are mostly without sum totals, giving only data by countries.

Fragmentary, incomplete, unsummarised. No data for different years (*mostly* none). Suitable, perhaps, for separate items of information.

There is absolutely none of the scientific approach, displayed in part by Calwer in his Introduction, to the analysis of the *connections* of world economy as **a whole;** only statistical raw material.

EXTRACTS FROM *DIE BANK*

Die Bank, 1912, 2.

"*Herr von Gwinner's Oil Monopoly*" (1032—) (Dr. Felix Pinner).

cf. p. 13 here*

The Reichstag, on March 15, 1911, adopted almost unanimously a request for an oil monopoly. The government seized upon this "popular" (1032) idea. It turned out that the banks... "could not agree on the booty" (1033). Only the **Deutsche Bank** was *in favour*!! The others (headed by the *Discontogesellschaft*) were against, partly because they considered the *Deutsche Bank*'s booty excessive.**

sic!

The struggle between the banks is useful for business: "Only when the interested parties exposed one another—and they did so thoroughly, in a masterly way and with intimate knowledge of their mutual weaknesses—did clarity become possible" (1034)....

The consumers are afraid of terrific ("colossal", 1034) prices. The *Standard Oil Co.* served the consumer *excellently*.

The oil trust could be fought only by an *electricity monopoly*, by converting water-power into cheap electricity. But we shall get an *electricity monopoly* only when this becomes profitable to the producers.

"But the electricity monopoly will come when the *producers* need it, that is to say, when the next great crash in the electrical industry is imminent, and when the gigantic, expensive power stations now being

N.B.

put up at great cost everywhere by private electrical 'concerns', which are already

sic!

obtaining certain franchises from towns, from states, etc., can no longer work at a profit. Water-power will then have to be used. But it will be impossible to con-

!!

vert it into cheap electricity at state expense; it will also have to be handed over to a 'private monopoly controlled by the state', because private industry has

"tribute" to finance

already concluded a number of contracts and has stipulated for heavy compensation for its expensive steam-power plants, which

* See pp. 89-90 of this volume.—*Ed.*
** See present edition, Vol. 22, pp. 249-50.—*Ed.*

will impose too great a burden on the ground-rent of a state-controlled hydro-power monopoly. So it was with the nitrate monopoly, so it is with the oil monopoly, so it will be with the electric power monopoly. It is time our state socialists, who allow themselves to be blinded by a beautiful principle, understood, at last, that in Germany the monopolies have never pursued the aim, nor have they had the result, of benefiting the *consumer*, or even of handing over to the *state* part of the promoter's profits; they have served only *to facilitate, at the expense of the state, the recovery of private industries which were on the verge of bankruptcy*"* (1036, author's italics).

capital !!

N.B. N.B.

The Deutsche Bank was defeated by the Standard Oil Co. and in 1907 concluded with the latter (under compulsion) a very disadvantageous agreement by which, in 1912, the Standard Oil Co. was able to buy up cheaply the oilfields of the Deutsche Bank.

there is a table of "interconnections" in oil "concerns"

And so the Deutsche Bank set to work to build up a monopoly!!

Opposing the Deutsche Bank was the *Discontogesellschaft* (with its Deutsche Erdöl Aktiengesellschaft), which worked very cautiously for an agreement with the *Standard Oil Co.*

Die Bank, 1912, 2, p. 695:

"Statistics of English Joint-Stock Banks" (England and Wales). { Colonial banks }

N.B.

					Deposits (£ million)
1890—104	banks	(joint-stock)	with *2,203*	branches	*368*
1911— 44	"	"	" " *5,417*	"	*749*
		In Scotland			
1890—10	"	"	" " 975	"	
1911— 9	"	"	" " 1,227	"	

* Ibid., pp. 250-51.—*Ed.*

In Ireland

	1890—9	banks	(joint-stock)	with		456	branches
	1911—9	”	”	”	”	739	”

Colonial banks

N.B.	1890—30	”	”	”	”	1,742	”
	1911—38	”	”	”	”	3,645	”

Die Bank, 1912, 2 (629 et seq.). “**Oil Strategy**” by Felix *Pinner*:

on the one hand, the Germans (Discontogesellschaft and *Erdöl* Aktiengesellschaft) want to unite Rumania (and Russia) against the Standard Oil Co.;

N.B. division of the world by the oil trusts

on the other hand, Standard Oil founded a company (Nederlandsche Koloniale Petroleum Maatschappy) in Holland *herself*, buying up oilfields (and concessions) in the Dutch Indies—a blow against its chief rival: the *Anglo-Dutch trust* Shell (Koninklijke Shell), etc.

Struggle for division of the world. “Division of the World”, *p. 630*.

Anglo-Dutch trust—Asia.

Standard Oil—rest of the world.

Standard Oil wants to seize *everything*.

The Germans want to defend themselves (+ Rumania + Holland + Russia??).

Die Bank, 1912, 1.

Cinema trust!!

“**The Patriotism of the Trusts**”, by L. Eschwege: in Germany a trust has been formed for buying up film distributors! (The firm of Pathé (Paris) produces *80,000* metres of film daily at one mark per metre. The cinemas of the world put together yield an income of about **one thousand million** marks per year!!) (pp. 216-17). This industry lags behind in Germany; it is especially developed in France. In Germany

about forty distributing agencies buy up films and "lease" them to cinema owners. (A trust has been formed, Deutsche Filmindustrie A.-G. = Fiag, headed by the National-Liberal Deputy Paasche. Its capital = five million marks, of which "no small part", obviously, was intended to be used as "founders' profit").... A monopoly is being launched. Will it succeed??

Die Bank, 1912, 1 (p. 223 et seq.), a short article by *A. Lansburgh*: "*The Financial Transactions of the Princes' Trust*" (the name given by the Stock Exchange to the "business affairs" of Prince Fürstenberg and Prince Hohenlohe, wealthy financiers). They invested millions (of their own and of the *Deutsche Bank*) in the building firm of Boswau & Knauer, It raked in as much as *100,000,000* marks (!! p. 229), embarked on a host of very risky enterprises and *went bankrupt*. The *Deutsche Bank* lost about twelve million marks, Fürstenberg about eight million (p. 226), the whole extent of the crash being *covered and concealed* (p. 226). Extremely indignant, the author writes: "Our whole economic development is infected by some of the Knauer poison" (230).... "The principle by which they (Boswau & Knauer) have worked, is hardly different from that, for example, to which the two biggest German electrical concerns owe their successes" (228)....*

true face of the *Deutsche Bank!!!*

and sic!! "electrical concerns"

If Boswau & Knauer had managed to wriggle out by making others bear the risk, everyone would have praised them, and hundreds and hundreds would have been ruined!

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* See present edition, Vol. 22, p. 236.—*Ed.*

Die Bank, 1912, 1.

L. Eschwege, *Etatisation of Capitalism* (p. 12—). The Reichstag elections. The battle of conservatives and democrats. "The question of whether the people or the bureaucracy should rule is still being debated, but the decision has already been made in favour of a third force, namely, the plutocracy" (12) ... "political freedom becomes an empty phrase in a country where the economic sources of wealth have become the monopoly of a few supermen" (12). Capitalism is being etatised: members of Zemstvos!! (municipality, district, etc.) are being appointed to Supervisory Boards. For example, in the Tempelhofer Feld Aktiengesellschaft. What a shady business!! "Petty hypocrisy" (15)—these delegates also receive bonuses, etc., etc. "A situation which is intrinsically dishonourable" results (16).... Government officials make "common cause with the plutocracy" (19)....

"Foreign Capital Investments in **Canada**", p. 82 et seq.

British	>2,000 million dollars	
American	420	
French	80	80
German	32	32
Belgian, Dutch	11.5	11
		123

L. Eschwege, *The History of a Company Promotion* (p. 420 et seq.)—an aerodrome company.

Flugplatz Johannisthal near Berlin. The director Arthur Müller enlisted princes and princelings, took millions from them (share capital = 4½ million marks), "gratis shares" for himself, resold them (the expert opinion of a venal valuer was that this land would yield colossal profit ... in 10-20 years!!)—in general a gross deception, and everything *strictly legal*!!

American banking magnates

A. Lansburgh, "The Money Trust" (p. 432 et seq.).

The National City Bank (Rockefeller and the *Standard Oil Co.*) controls a capital of about $1,000 million. The Bankers Trust Co. (Morgan) controls a capital of about $1,500-1,750 million.

2 banks—2,750 million dollars (=11,000 million marks)*

The author points out that nowhere are banks so strictly regulated as in America ("deposit" banks are strictly separated from "investment" banks; branch banks are forbidden, also the loan to any one person of more than 10 per cent of the capital, and so on). America has *26,000* "Lilliputian" banks (438)—and all to no purpose!! In reality the *multi-millionaires* rule and control. A change in the laws will merely lead to a change in the *form* of their rule.

Die Bank, 1912, 1, p. 523 et seq.

L. Eschwege, "*Cultural Fertiliser*" = German immigrants in Brazil. Unscrupulous advertising of the Brazilian Government (like that of the Canadian). Agents are paid ten marks for each immigrant. Lies about the prosperity of the immigrants, their poverty, etc., etc. They are sold land at *speculative* prices, etc., etc.

Die Bank, 1911, 1, p. 1 et seq.

A. Lansburgh, "***Germany—A Rentier State***".

N.B. title!

Deposits in German *savings* banks = about *16,500 million* marks. This is a transfer of capital from a latent to a patent state, *an aid to big capital*, a conversion into *loan capital* (mostly in mortgages). By refraining from disposing of their money themselves, the depositors "strengthen the power of big capital and weaken the strength of resistance of small-scale industry" (8).

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* See present edition, Vol. 22, p. 219.—*Ed.*

"People in Germany are ready to sneer at the inclination to become rentiers that is observed in France. But they forget that as far as the bourgeoisie is concerned the situation in Germany is becoming more and more like if that in France"* (10-11).

About 45 of the amounts (45 per cent, apparently) in savings banks consist of deposits of *3,000 marks* or over!!

Ibidem, *p. 218*: German Banks

	Banks	Own capital	Borrowed capital	
1883	160	890	+ 850	(mill. marks)
1907	440	4,450	+7,750	" "
	+175%	+400%	+ 812%	" "

Austrian Banks

		(million kronen)	
	Banks	Own capital	Borrowed capital
1883	38	500	620
1907	53	1,130	3,130
	+40%	+126%	+405%

Die Bank, 1911, 2, p. 605 et seq. "Twenty Years of English Banking", by Alfred Lansburgh.

Development of English banks

	Banks	Deposits and current accounts	*Scotland*	*Ireland*	Capital (England + Scotland + Ireland)	Reserves
1891**	110	408.5	+91.6	+38.5£ mill.	69.8	36.4
1911	46	776.6	106.6	62.5	78.7	49.0
Branches of	46	English banks—5,218 (1910)				
Isle of Man	2			9		
Scottish	9			1,242		
Irish	9			693		

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* See present edition, Vol. 22, p. 278.—*Ed.*

** In the first column the figures are for the years mentioned, in the following columns for 1890 and 1910.—*Ed.*

p. 813 et seq. Germany

	No. of banks	Own capital (thousand mill. marks)	Borrowed money	Total capital at the disposal of the banks			
1872	174	1	1	3,000	mill.	marks	Development of banking in Germany
1910	422	5	11	30,000	"	"	

1872 ... 23 banks out of 174 had a capital of 10 million and >. They controlled 60 per cent of borrowed money.

1910-11 ... 53 banks out of 422 had a capital of 10 million and >. They controlled 82.5 per cent of borrowed money (p. 818).

Germany, output of iron 1870: 1,346,000; 1910: 14,793,000 tons.[17]

L. Eschwege, "Plutocracy and Officialdom" (p. 825 et seq.). Typical of a petty-bourgeois reformist. Two examples:

"Some years ago, owing to the rigid attitude of the Rhine-Westphalian Coal Syndicate, a strong anti-cartel movement swept through Germany. The Reich government appointed an Enquiry Committee to study the problem of cartels. In the course of its proceedings, Government Counsellor Völker distinguished himself by his brilliant mastery of the subject and his sharp business-like speeches against the cartel representatives. Shortly thereafter, Counsellor Völker accepted a highly paid post as leader of the German Steel Association, Germany's most powerful and closely-knit cartel organisation. With the

good example! (finance capital and the government)[18]

government thus deprived of its best expert, the enquiry petered out" (827-28). There is no need, he remarks, to point to America!

!! There is an Imperial Private Insurance Supervisory Office, which has done much to control private insurance companies. And then the insurance companies come along and entice the "controllers" with offers of lucrative posts (including directorships). "In recent years, no less than three control officials have made the leap from the Imperial Supervisory Office to a directorship in an insurance company" (831).

Die Bank, 1911, 1, pp. 94-95. Recent statistics on the iron industry.

(*Thousand tons*)

production of pig-iron	1810	15	158	54	—	—	—
	1820	—	—	20	198	—	1,650
	1850	—	2,228	564	405	204	4,187
	1870	1,346	6,059	1,665	1,178	360	12,021
	1890	4,625	8,033	9,203	1,962	727	27,427
	1910	14,793	9,664	27,250	3,500	2,870	60,000

Die Bank, 1910, 1 (p. 401 et seq.), Alfred **Lansburgh**, "The Bank in the Service of the National Economy"—in connection with Riesser's book, whom the author accuses of optimism and of ignoring the defects of the German banks.

"holdings" of the modern bank!! Idem: Alfred Lansburgh, "*The Holdings System* in German Banking" (497 et seq.) and "Dangers of the Holdings System". Both articles yield very little; generalities, already known. The table of "holdings" (p. 500) alone is good.

The *Deutsche Bank** has holdings.

(1) Permanently in *17* banks. ***Of these 9*** have holdings in *34* banks; ***of which 4*** also in **7**.

(2) For an indefinite period " *5* "

(3) Occasionally " *8* " " " *5* " " " *14* " " " *2* " " *2*

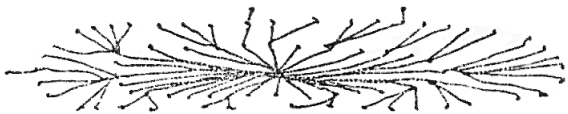
((My totals)) 30 14 48 " " " 6 " " 9

N.B. [of these, i.e., out of 8—*two* Russian: the Siberian Commercial Bank and the Russian Bank for Foreign Trade, and one Austrian: the Wiener Bankverein] both banks and bankers included

System of "holdings" N.B.

approximately thus

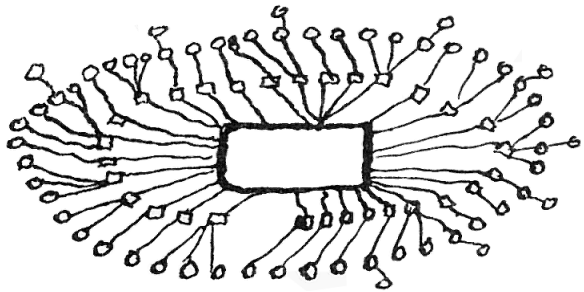
!! { in all the "concern" has about 500 million marks of its own money and *1,333 million* marks of borrowed money }



(the author has squares with the name of the bank)

apparently, these data on the Deutsche Bank can be taken to illustrate the holdings system

approximately thus:
the size of the bank in the centre (the Deutsche Bank) is not in proportion, for among the subsidiaries are banks with a capital of 70-80 million marks!



* See present edition, Vol. 22, p. 212.—*Ed.*

Die Bank, 1910, 1, p. 288. A note: "German Concessions Abroad."

The Chamber of Commerce in *Barmen* writes in a Memorandum to the Minister of Trade:

good example of the role, significance and policy of *finance capital*

"A considerable amount of German capital is invested in the Transvaal gold mines, despite which, unfortunately, supplies from German engineering factories for the Transvaal mines are only very small, because the technical management of the mines is predominantly in English hands. From this point of view, it would be extremely regrettable if the *Mannesmann* concessions (in Morocco) were to be absorbed in the French mining syndicate. If that were to happen the technical management of the Moroccan mines would quite certainly fall wholly into French hands, and there would be no prospect of supplying German machinery and equipment. It would be an irreparable mistake if German capital, while sharing in Moroccan mining enterprises, were to leave the technical management in French hands, just as it has been left in English hands in the Transvaal. The German engineering industry would not benefit from such an exploitation of the Mannesmann mines, and German capital participation would only benefit the French engineering industry. On the other hand, German industry would benefit immensely if even only a comparatively small part of the Moroccan mines were under German technical management". (Quoted from pp. 288-89.)

"The Campaign Against the French Big Banks", p. 236 et seq.

Articles by Lysis (at first in *La Grande Revue*, 1906).

The book by his supporter, *Jules Domergue*, *The Question of Credit Societies*.

A reply to Lysis—*Testis*, *The Role of Credit Institutions in France*, 1907, a *book* (articles in *Revue politique et parlementaire*).

A superficial appraisal: Lysis exaggerates but, basically, is correct. The rentier state = France. Capital flows from a country with a low rate of interest into countries with a high rate of interest. Lysis, his critic alleges, is not an expert, etc.

According to Lysis, the banks charge up to 7 per cent as commission on the sale of foreign securities!!! 7%!!!

(1910, 2) p. 1200: from data of the American National Monetary Commission.

Statistics of Deposits and Savings

	Great Britain (£ million)				*France* (million francs)			
	Bank deposits		Savings-bank deposits		Bank deposits		Savings-bank deposits	
1880	425	8.4	78	1.6	?	?	1,280	0.9
1888	624	12.4	105	2.0	1,923	1.5	2,762	2.1
1908	1,160	23.2	212	4.2	4,703	3.7	5,226	4.2

N.B.

	Germany			(My) total *Thousand million marks*		
	Bank deposits	Deposits in credit societies	Savings-bank deposits	Britain	France	Germany
1880	529	364	2,614	10.0	?	3.5
1888	1,142	425	4,550	14.4	3.7	6.0
1908	7,067	2,207	13,889	27.4	7.9	23.1

And the editors remark that this "apparent" national wealth should not be identified with the national wealth in general.

From a note on the financier Eduard Engel, who died in November 1910;

career of bank directors

"Many Berlin directors only obtained their posts because their creditors saw no other way of saving their money except by launching the debtor on a career. While secretly cursing him for his frivolity, in public they praised his diligence—in their own well-understood business interests" (1202-03).

Die Bank, 1909, 1, p. 79. A note: "The Pull of the Bank"—government officials become directors of banks (Waldemar Müller, von Klitzing, Helfferich, Schönfeld) and in industry (Völker, Budde)....

"How about the integrity of a state official, whose secret longing is for a cosy niche in the Behrenstrasse [the Deutsche Bank]?"* (79).

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p. 301 et seq. Alfred Lansburgh, "The Economic Importance of Byzantinism"—an ardent little article (petty-bourgeois sentimentality) against the plutocracy's connection with the Kaiser, etc.

well put!

"We recall the journey to Palestine and the immediate result of this journey, the construction of the Baghdad railway, that fatal 'great product of German enterprise', which is more responsible for the 'encirclement' than all our political blunders put together"** (307).

Ludwig Eschwege, "*Revolutionising Tendencies* in *the German Iron Industry*".

technical revolution in the iron industry

The main centre in Germany for ore extraction and iron has shifted from the Rhine-Westphalian area to Lorraine-Luxemburg (in the South-West). The rich phosphate ore (the Minette ore of Luxemburg and Lorraine) was previously of no value. It has become excellent owing to (1) the Thomas method; (2) **electro-steel** (*electro-rods*: 15 years' guar-

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* See present edition, Vol. 22, p. 237.—*Ed.*
** Ibid.—*Ed.*

antee against 9 years previously). Ores in Luxemburg-Lorraine amount to 2,000 million tons (enough for 200 years at the present rate of German consumption) (pp. 316-17).

A. Lansburgh, "How Great Is the *German National Wealth*?", p. 319 et seq.

A criticism of the well-known book by Steinmann-Bücher and his estimate: 350 thousand million marks (190-200—Lexis and Schmoller; Great Britain—250-300, France—200-225). The chief component figure given by Steinmann-Bücher (a) = 180 thousand million of "private property in real and personal estate"—*two or three times* (p. 324) the real amount, for he (*Ballod* p. 322), too, overlooked this!!) took *insurance* policies (162.6 thousand million, rounded off to 180!!), whereas insurance is always at the value *replacement* would cost, and not the real value. "They made the same mistake as the second-hand dealer who in taking stock listed old furniture and clothing at the price of new" (325). And a number of other mistakes of Steinmann-Bücher!!!

German national wealth (350?? thousand million)

Ludwig *Eschwege*, "Cement", 115 et seq. (1909, 1).

A strongly cartelised industry. Monopoly prices (*cost of production 180* marks per carload, sale price 280 marks!!, 230 marks!!). Sale price with delivery *400* marks per carload!! Profits yield 12-16 per cent dividend. Every effort is made to eliminate competition: false reports of the bad situation in the industry, anonymous notices in the press (capitalists, beware of investing your money in cement factories!!); buying up of "*outsiders*" (examples: 60,000-80,000-150,000 marks in "compensation": p. 125). Cartels by regions: South German, Upper

how do the syndicates operate?

Silesian, Central German, Hanoverian, Rhine-Westphalian, North German and Lower Elbe syndicates.*

Die Bank, 1909, 2. Articles by Eugen **Kaufmann** on *French banks*. Three big banks—*Crédit Lyonnais*, *Comptoir National*, *Société Générale*.

N.B.

For all three: 1908—*749.1* million francs (capital + reserves) and *4,058* million deposits (in general, borrowed money).

incomes of directors and board members

Number of members of the board of management (administrative councils) 13-15-17. Their income *500,000-750,000* (!!) francs (Crédit Lyonnais) (p. 851).

"research service"

The Crédit Lyonnais has a "***Financial Research Service***" with >50 persons (engineers, economists, lawyers, statisticians, etc.)—costing *0.6-0.7 million* francs annually (it studies industrial enterprises, railways, etc., of various countries, collects information, and so on). The service is divided into eight departments: 1) industry; 2) railway and steamship companies; 3) general statistics; 4) information on securities; 5) financial reports, etc. Cuttings from financial newspapers and journals of the whole world, and so on and so forth.**

The number of branches (in France) (1908) (p. 857):

French big banks

	Paris and region	Provinces	Total	Abroad	
Crédit Lyonnais	53	192	245	22	
Comptoir National . . .	51	140	191	23	(mostly in the
Société Générale	89	636	725	2	colonies) (p. 954)
	193	968	1,161	47	Σ mine

* See present edition, Vol. 22, pp. 207-08.—*Ed.*
** Ibid., pp. 222-23.—*Ed.*

The **Société Générale** figure includes **222** mobile branches in the provinces (open *once* or *twice* a week on market days).

Employees: boys (grooms) ages 13-16—30-40 francs per month; lower-grade office workers, above 16-60 francs per month. Then up to 2,000-2,400 francs annually. Departmental heads in the Crédit Lyonnais—up to 40,000 francs annually.

	Number of employees
Crédit Lyonnais	up to 5,000
Comptoir National	4,000
(including Paris	2,500)
Société Générale	7,000
(including Paris	1,000)
of whom 300-400 women.	

p. 1101 (1909, 2). A note on the *Baghdad railway* "friction" with Great Britain, etc.: 500 million of German money in an unknown country, and friction with Great Britain and France; is not worth the bones of a single grenadier, is a "fatal adventure", etc. etc. — Baghdad railway; attitude to colonial policy

p. 799. A note: "Banking in Occupational Statistics".

(Headings)	1882 (No. of women in brackets)		1895		1907	
(1 and 2) bankers, bank directors, etc.	6,896	(148)	7,719	(195)	11,070	(185)
(3) bank (and savings bank) employees. . .	12,779	(95)	23,644	(444)	50,332	(2,728)
(4 and 5) apprentices, watchmen, members of families, working part time, etc.	6,207	(56)	5,268	(170)	9,275	(382)
Σ=	25,882	(299)	36,631	(809)	70,677	(3,295)
No. of (3) per 100 (of 1 and 2) [employees per 100 bosses] . .	182.6		304.8		471.4	

banks, their economic structure

Alfred Lansburgh, "German Capital Abroad", p. *819* et seq. *Die Bank*, 1909, 2.

The author tries to prove Kautsky's favourite argument that trade develops better with independent countries.*

N.B. Kautsky *N.B.*

		1889	1908	Per cent increase
"Debtor countries" (of Germany)	Rumania . .	48.2	70.8	+ 47
	Portugal . .	19.0	32.8	+ 73
	Argentina . .	60.7	147.0	+143
	Brazil . . .	48.7	84.5	+ 73
	Chile	28.3	52.4	+ 85
	Turkey . . .	29.9	64.0	+114
	Σ=*234.8*	*451.5*	+ 92%	←

author does *not* give these totals

financially independent countries	Great Britain	651.8	997.4	53
	France . . .	210.2	437.9	108
	Belgium . . .	137.2	322.8	135
	Switzerland .	177.4	401.1	127
	Australia . .	21.2	64.5	205
	Dutch Indies	8.8	40.7	363
	Σ=1,206.6	2,264.4	+ 87%	←

cf. Kautsky (and Spectator)

The author draws the conclusion:

"This much is certain; it is a gross error to regard foreign capital investment, in whatever form, as a specially effective force in favour of German products, to regard it as the pioneer of German trade" (828).

this especially N.B.!!

(The author did not sum up the results, which *refute* him!!)

My addition:

He is refuted even more emphatically by the concrete data *he himself* cites on the relationship between loans and exports (pp. 826 and 827)**:

Years of loans:

"In 1890-91, a *Rumanian loan* was floated through the German banks, which

* See present edition, Vol. 22, p. 291.—*Ed.*
** Ibid., pp. 291-92.—*Ed.*

had already in previous years made advances on this loan. It was used chiefly to purchase railway materials in Germany. In 1901,* German exports to Rumania amounted to 55 million marks. The following year they dropped to 39.4 million marks and, with fluctuations, to 25.4 million in 1900. Only in very recent years have they regained the level of 1891, thanks to two new loans. 1890-91 ? ?

"German exports to *Portugal* rose, following the loans of 1888-89, to 21,100,000 (1890); then, in the two following years, they dropped to 16,200,000 and 7,400,000 and regained their former level only in 1903. 1888-89

"The figures of German trade with *Argentina* are still more striking. Loans were floated in 1888 and 1890; German exports to Argentina reached 60,700,000 marks (1889). Two years later they amounted to only 18,600,000 marks, less than one-third of the previous figure. It was not until 1901 that they regained and surpassed the level of 1889, and then only as a result of new loans floated by the state and by municipalities, with advances to build power stations, and with other credit operations. 1888 1890 ? 1889

"Exports to *Chile*, as a consequence of the loan of 1889, rose to 45,200,000 marks (in 1892), and a year later dropped to 22,500,000 marks. A new Chilean loan floated by the German banks in 1906 was followed by a rise of exports to 84,700,000 marks in 1907, only to fall again to 52,400,000 marks in 1908." 1906

* Lansburgh's mistake; should be 1891.—*Ed.*

Strange that the author should not see how these facts *refute him*: the rise in exports occurs *precisely after* the loans and *in consequence* (infolge) of them.

Lansburgh's **petty-bourgeois** standpoint: "And German industry would profit [if the exported capital remained at home] not only in amount but in distribution. Capital would be distributed freely over many branches of industry, would flow along numerous channels, whereas from abroad, as experience has shown, it flows into the order books of a few privileged firms which, in addition, have to pay dearly for their privileges. Krupp could tell us a thing or two about how many millions in expenses, known as baksheesh or by some other name, have to be paid to support German credit activity abroad. Yet the natural distribution of capital, which has to cover as many branches of industry as possible, is of prime importance for the whole industrial development of Germany" (824-25).... "Production that in this way constantly regenerates itself by its own forces [by the investment of capital within the country] guarantees continued *harmonious* development"* (p. 825).

!!

gem!! he has "persuaded" Krupp!!!

"natural"!! ha-ha

"harmony"

The export of capital does *not* produce *stable* trade connections: the author tries to prove this by the examples (pp. 826-27), cited by me above: pp. 101-02 of this notebook**.

A. Lansburgh, "***Trends in the Modern Enterprise***" ("Two books"),

* See present edition, Vol. 22, p. 292.—*Ed.*
** See pp. 192-94 of this volume.—*Ed.*

p. *1043* et seq. A short review of *Levy*'s *Monopolies and Trusts* and *Liefmann*'s *Financial and Industrial Companies*. *Lansburgh* says, rightly, that both are one-sided: *Levy*'s accent is on the *technical* strength of concentration, *Liefmann*'s on the strength of financial (oligarchic) oppression.

Levy versus **Liefmann**

"The growing role of stocks and securities ("Effektifizierung") in industry vastly increases the scale of production, reduces the number of independent producers and makes it easier for the few—if they are not prepared to be bought up by some giant trust—to unite in order to suppress all newly-arising competition. Though that point is made neither by Liefmann nor Levy, it clearly emerges from both books. This might, perhaps, prompt someone to write a book that is urgently needed: a book that describes how a security-manipulating oligarchy has wrested control of the republic's economic life" (1051-52).

Sometimes the development is through concentration to cartels (Levy has shown this *particularly* clearly). But *not* always. "Substitution of securities" can lead *at one stroke* to a trust, e.g., "in colonial railway construction".... Technical concentration is progressive as regards technique; financial concentration can strengthen, and *does strengthen*, the omnipotence of monopoly capital *alongside backward* technique....

REMARKS ((ON FINANCE CAPITAL IN GENERAL))

Export to colonies (and financially dependent countries) versus export to independent countries:

Let us assume that the latter is *greater* and increases at a *faster* rate than the former. Does this prove the "non-necessity" of colonies and networks of *financial* dependence?

(K. Kautsky.) No, for (1) even in relation to independent countries (taking all exports) the share of cartels, trusts, dumping, increases....

(2) Finance capital does not abolish the lower (less developed, backward) forms of capitalism, but grows out of them, above them....

N.B. on finance capital and its significance

(3) There is a definite ratio between "normal" and monopoly sales, ergo between "normal" and monopoly exports. Capitalists cannot help selling staple commodities to millions of workers. Does this mean that it is "unnecessary" for them to acquire extra-profit through government, railway "contracts", etc.?

(4) The extra-profit from privileged and monopoly sales compensates for the low profit of "normal" sales.

(5) Compare with the banks: extra-profit as intermediaries in floating loans, promoting bubble companies, etc., compensates for low profit (sometimes no profit) on "normal" credit operations.

(6) The high technique of concentrated industry and the "high technique" of financial swindling, and the "high technique" (in reality, low technique) of oppression by finance capital—they are inseparably linked under capitalism. K. Kautsky wants to destroy the link, "whitewash" capitalism, take the good and throw away the bad: "modern Proudhonism", petty-bourgeois reformism "under the mask of Marxism".

$\Sigma\Sigma$ = finance capital (monopolies, banks, oligarchy, buying up, etc.) is not an accidental excrescence on capitalism, but its ineradicable continuation and product.... Not merely colonies, but also (a) export of capital; (b) monopolies; (c) a financial network of connections and dependencies; (d) omnipotence of the banks; (e) concessions and bribes, etc., etc.

TSCHIERSCHKY, *CARTEL AND TRUST*

Dr. *S. Tschierschky*, *Cartel and Trust* (*A Comparative Study of Their Nature and Significance*), Göttingen, 1903 (p. 129).

(Little of value. Bourgeois prattle *in favour of* cartels—German, our own, toned down—against trusts)....

A most commonplace petty-bourgeois, this author. A "practitioner" = was employed by syndicates and cartels.

p. 12, par. 1. The American rectified spirit trust closed down *68* of the *80* factories it had bought up.

p. 13: The United States Steel Corporation has "*almost one-third of a million workers*". ‖ ⅓ million workers

Its capital (1902) shares = $800 million
loans = $553 "

Output:

iron ore	13.3	million	tons
coke	9.1	"	"
pig-iron, etc.	7.1	"	"
steel	9.0	"	"*
bars	1.7	"	"
etc.			

‖ a model!!

p. 19 — cartels and trusts developed "since the last third or quarter of the nineteenth century". ‖ last ⅓ or ¼ of the 19th century

p. 31 — one weaver in the *United States* looks after *16* looms (Northrop looms, an improvement of 1895).

p. 56 — ..."The idea of the cartel is no more than the application to modern industrial production of the modified co-operative idea"....

"Conclusions"

..."On the basis of my investigations up now, I have no doubt that the trust embodies the advantages, but to a still greater extent the disadvantages, of capitalist large-scale industry, in the sense of an unceasing and reckless urge to go forward, whereas the policy of the cartel

ha-ha!

characteristic! (rather cowardly!)

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* See present edition, Vol. 22, p. 203.—*Ed.*

much more strives to bridle and to distribute. If the world market were dominated by great national trusts, it would experience far-reaching struggles over prices and sales, carried to the sharpest extremes.... In this connection, the cartels can and should be as much concerned for technical and economic progress as free competition is; perhaps they will not accelerate it so precipitately as the trusts" (128).*

!!! not accelerate!!!

HEYMANN, *COMBINED ENTERPRISES*

Hans Gideon *Heymann*, *Combined Enterprises in the German Large-Scale Iron Industry*, Stuttgart, 1904 (No. 65 of *Munich Economic Studies*).

A summary of data (for the most part rather fragmentary) on the advantages of large-scale production, especially "combined" production, i.e., uniting various successive stages....

"The representative of the Krupp firm told the iron Enquiry Committee (Minutes (1878), p. 82): 'I do not think that a plant producing 20,000-30,000 tons (annually) can stand up to one producing 100,000-150,000 tons.' Twenty-five years later *Carnegie* considered that twenty times as much as 150,000 tons was necessary. (*The Empire of Business*, New York, Doubleday, Page and Co., 1902, p. 233): 'Concerns making one thousand tons of steel per day have little chance against one making ten thousand'" (p. 232, note).

good example!!

The growth of capital and its "immobilisation" (N.B.) is one of the most important conditions for monopoly and cartels.

a condition for cartels....

"Combined enterprises often belong to more than a dozen cartels, as Völker's interesting table shows"... (249)....

? Völker? Iron cartels? *December 1903* (where?) (p. 256)....—?

* See present edition, Vol. 22, p. 216.—*Ed.*

"We see ... everywhere the same spectacle in the production of finished goods. Pure enterprises perish, are crushed between the high price of raw material and low price of the finished product, while the combined enterprises earn enough profit from the high prices of materials, and they find sales thanks to the low prices of finished goods; for the big plants avoid excessive prices for fear of inevitable subsequent reductions, whereas the small ones in good times want to push up prices wildly. Exactly the same policy is pursued in America by the big Steel Corporation" (256). N.B. N.B.

Now competition has been done away with. There remain two or three dozen big plants. At the head are Thyssen, Lueg and Kirdorf (261). "Two gigantic associations": the coal syndicate and the steel syndicate ((87.5 per cent of stee output)) "must rule over the whole".

— — — Monopoly of the means of production. The land has been bought up (coal and ore).

"The head of the concern controls the principal company [literally: the "mother company"]; the latter reigns over the subsidiary companies ["daughter companies"], which in their turn control still other subsidiaries ["grandchild companies"], etc. In this way, it is possible with a comparatively small capital to dominate immense spheres of production. Indeed, if holding 50 per cent of the capital is always sufficient to control a company, the head of the concern needs only one million to control eight million in the second subsidiaries. And if this 'interlocking' is extended, it is possible with one million to control sixteen million, thirty-two million, etc."* (pp. 268-69). better than in Liefmann and *earlier*

The summing up:

"There remain, on the one hand, the big coal companies, producing millions of tons yearly, strongly organised in their coal syndi-

* Ibid., pp. 227-28.—*Ed.*

cate, and, on the other, the big steel plants, closely allied to the coal mines, having their own steel syndicate. These giant enterprises, producing 400,000 tons of steel per annum, with a tremendous output of ore and coal and producing finished steel goods, employing 10,000 workers quartered in company houses and sometimes owning their own railways and ports, are the typical representatives of the German iron and steel industry. And concentration goes on further and further. Individual enterprises are becoming larger and larger. An ever-increasing number of enterprises in one, or in several different industries, join together in giant enterprises, backed up and directed by half a dozen big Berlin banks. In relation to the German mining industry, the truth of the teachings of Karl Marx on concentration is definitely proved; true, this applies to a country where industry is protected by tariffs and freight rates. The German mining industry is ripe for expropriation"* (278-79). (The concluding words of Chapter 5 in the book.)

N.B.

See p. 108.

Heymann's statistics:

Twenty-four combined enterprises (these 24 include—Krupp, Stumm, Deutscher Kaiser (Thyssen), Avmetz Friede, etc., etc., all "leaders").

		thousand tons	(1902) Total for Germany
Their output:	Iron ore	6,934 (+?)	17,963
	Coal	13,258=12.6%	107,436
	Pig-iron	5,849 (+?)	8,523
	Steel	8,215	7,664 (?)

* See present edition, Vol. 22, pp. 198-99.—*Ed.*

		thousand tons	(1902) Total for Germany
(in operation)	Blast furnaces	147=58.8%	250
	Open-hearth furnaces	130=38.8	335
	No. of workers 206,920	?	?
	Capital	581.4 million marks	
	+ Reserves	121.9 million marks	

Growth of large-scale production in the German iron industry

Pig-iron	Enterprises in operation	%	Output (mill. tons)	%	Workers (000)	%	Output per worker (tons)	No. of workers per enterprise
	1869 — 203	100	1.4	100	21.5	100	65.6	105.8
	1880 — 140	69	2.7	194	21.1	98	129.2	150.8
	1900 — 108	53	8.5	605	34.7	162	245.2	321.7

End of extracts from **Heymann**.

End.

ON THE QUESTION OF IMPERIALISM

On the question of **imperialism:**

Subjects: (approximately)

5.1 Finance capital.
4.2 Banks.
2.3 Cartels and trusts.
3. Monopoly.
1.4 Concentration and big industry.
6.5 Export of capital.
7.6 Colonies. Their significance.
8.7 History of the colonies.
9.8 Division of the world.

International trusts
colonies
Calwer

10.9 Free competition versus imperialism.
11.10 Back to free competition or forward to overcoming imperialism and capitalism?
12.11 Ultra-imperialism or inter-imperialism?
12 bis: Uneven growth.
13.12 Hobson, Kautsky, imperialism.

14.13 Apologists and petty-bourgeois critics of imperialism.
15.14 Parasitism in imperialist countries... ("decay") (("the rentier state")).
16.15 Definitive split of the working-class movement... ["imperialism and opportunism"].
17.16 Diplomacy and foreign policy 1871-1914.
18.17 The national question in the imperialist era.
19.18 *Interlocking* versus "*socialisation*" (cf. Riesser). Component parts of the concept "imperialism".

Roughly:

1. I monopoly, as the result of concentration
2. II export of capital (as the chief thing)
4. III division of the world: (α) agreements of international capital
5. IV division of the world: (β) colonies
3. V bank capital and its "threads"
6. VI replacement of free trade and peaceful exchange by a policy of force (tariffs; seizures, etc., etc.).

Hilferding's shortcomings:

1) Theoretical error concerning money.
2) Ignores (almost) the division of the world.
3) Ignores the relationship between finance capital and parasitism.
4) Ignores the relationship between imperialism and opportunism.

"Imperialism, the highest (modern) stage of capitalism."

Roughly:

these 6:

I. Three chief (fully independent) countries
- Great Britain
- Germany
- United States

II. Secondary (first class, but not fully independent)
- France
- Russia
- Japan

III. Italy
Austria-Hungary

NOTEBOOK "γ"
("GAMMA")

Contents

1—52

Source References:
2; *7* and *8*; *13*; *15*, *16* and *18*; *34*

HOENIGER, *ECONOMIC SIGNIFICANCE OF THE GERMAN ARMED SERVICES*

Professor Dr. Robert *Hoeniger*: *Economic Significance of the German Armed Services*, Leipzig, 1913. (Gehe-Stiftung Lectures, Vol. V, Part 2.)

Banalities of a pro-militarist who seeks to prove that military expenditure is not a loss, for the money remains in the country and yields vast profits, that military service educates, strengthens, etc., etc.

A characteristic quotation:

..."The deputy *Erzberger* told the Reichstag (April 24, 1912): 'If the Minister of War were to satisfy all the

requests for garrisons addressed to the War Department, he would have to ask for military appropriations six times as large'" (p. 18).

The petty bourgeoisie gains in all sorts of ways from garrisons. One of the reasons why militarism is popular!

Source References:

Wilhelm *Ahr*, *The Armed Services and the National Economy of the Great Powers During the Last Thirty Years*, Berlin, 1909.

Hartwig *Schubart*, *The Relationship Between the National Economy and the National Defence Potential*, Berlin, 1910.

Militärwochenblatt. Supplements: 90 (1902) and 10 (1904).

Fr. *Braumann*, *The Economic Value of a Garrison*, Magdeburg, 1913.

Modern Civilisation, Part IV, Vol. 12 (*Military Technique*).

THÉRY, *ECONOMIC EUROPE*

Edmond *Théry*, *Economic Europe*, Paris, 1911.

(He is editor of *L'Économiste européen*, and author of a **mass** of works on economics.)

The book has *very many* comparative tables: {the text, apparently, is only an adjunct to the tables}.

Population (millions)

	1858	1883	1908	1858-83	1883-1908
Germany	36.8	46.2	63.3	+26%	+37%
Great Britain	28.6	35.7	45.1	25	26
France	34.6	37.9	39.3	9	4
Russia (European)	66.8	86.1	129.8	29	51
All Europe	278.1	335.1	436.1	20	30

Government expenditure (million francs)

	1858	1883	1908	1858-83	1883-1908
Germany	801	2,695	9,263	+236	+244
Great Britain	1,651	2,192	5,169	33	136
France	1,717	3,573	3,910	108	6*
etc.					

* Théry's figure.—*Ed*.

Expenditure on *Army and Navy*

	1883	1908
Germany	458	1,068
	+46	436
Great Britain	432	676
	270	811
France	584	780
	205	320
Russia	772	1,280
	122	231
etc.		

Output of Coal (million tons)

	1898-99	1908-09	
Germany	130.9	205.7	+57%
France	32.4	37.9	+17%
Great Britain	202.0	272.1	+10%

Pig-Iron (million tons)

Germany	7.4	12.7	+72%
France	2.5	3.6	+43%
Great Britain	8.8	9.7	+10%
etc.			

NOTES ON BOOKS BY MONTESQUIOU AND ESTÈVE AND ON AN ARTICLE BY REVERE

Montesquiou, *American Securities and French Holdings*, Paris, 1912. (Advice to capitalists: beware.)

L. *Estève*, *A New Psychology of Imperialism*: *Ernest Seillière*, Paris, 1913.

((A **psychological** interpretation of imperialism à la Nietzsche,[19] deals only with psychology.))

C. T. Revere, "Latin American Trade Possibilities", article in *The North American Review*, 1915 (Vol. 201), p. 78:

"*The South American Journal*, published in London, says British investments in Latin America at the end of 1913 totalled $5,008,673,000."

Cf. with **Paish** 1909*

$5,000 million × 5 = 25,000 million franks ‖ N.B.

LESCURE, *SAVINGS IN FRANCE*

Jean Lescure, *Savings in France*, Paris, 1914.

Author's preface says this work has been published in *Schriften des Vereins für Sozialpolitik*, Vol. 137, III—in a survey of savings in various countries. N.B.

Note p. 110, table VI. "Statistics of French Wealth" (according to Mr. Neymarck).

Thousand million francs

	French securities	Foreign securities
1850	9	—
1860	31	—
1869	33	10
1880	56	15
1890	74	20
1902	from 87 to 90	from 25 to 27
1909	" 105 " 116	" 35 " 40

Deposited securities (million francs)
(p. 51)

	Crédit Lyonnais	Société Générale	Comptoir d'Escompte
1863	9.8	57.4	—
1869	54.6	88.3	—
1875	139.7	205.7	—
1880	244.6	253.7	—
1890	300.8	251.9	122.9
1900	546.3	347.6	365.4
1910	839.0	562.2	633.3
1912	859.6	446.5	674.3

* Re Paish see p. 389 of this volume.—*Ed.*

Number of accounts with the Crédit Lyonnais (p. 52) *:

1863 — 2,568	1890 — 144,000
1869 — 14,490	1900 — 263,768
1875 — 28,535	1912 — 633,539
1880 — 63,674	

p. 60: "Sums put to reserve by nine French iron and steel companies":

Average (annual) for 1904-08 = 23.8 million francs (for the present, no more notes from this source).

HISHIDA, *THE INTERNATIONAL POSITION OF JAPAN AS A GREAT POWER*

Hishida, *The International Position of Japan as a Great Power*, New York, 1905. (Thesis.)

Amateurish. A rehash of the history of Japan versus other countries from 660 B.C. to 1905.

"Since that time (the Chinese war 1894–95) the Far East has become a centre of the ambitions chiefly of France, Great Britain, Germany, Japan, Russia and the United States, in their efforts to satisfy the wants of 'imperial expansion', commercial and political" (p. 256).

"The economic activity of the Great Powers has assumed the form of 'imperialism', which signifies the ambition of the Great Powers to control, for economic or political purposes, 'as large a portion of the earth's surface as their energy and opportunities may permit'" (p. 269).

He quotes:

Reinsch, *World Politics*, New York, 1902.
Hobson, *Imperialism*.
Colquhoun, *The Mastery of the Pacific*, New York, 1902.
Debidour, *The Diplomatic History of Europe*, Paris, 1891 (2 vols).

* See present edition, Vol. 22, p. 214.—*Ed.*

REFERENCES FROM ENGLISH SOURCES AND *CONRAD'S JAHRBÜCHER*

From English books

Ch. K. Hobson, *The Export of Capital*. 8° (290 pp.). 7s. 6d. (Constable), May 1914.

J. A. Hobson, *Traffic in Treason*: *a Study of Political Parties*. 8° (1s.) (Unwin), June 1914.

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(Third series, Vol. 21 = 1901,
Vol. 40 = 1910.)

Glier, *The Present Position of the American Iron Industry*, *Third series*, *Vol. 35*, 587.

Jeremiah *Jenks*, *The Trusts in the United States*, *Third series*, *Vol. I*, 1.

Goldstein, *The Present State of the Cartel Movement*: *Russia* (Third series, Vol. *40*, 162).

Saenger, *The Economic Prospects of British Imperialism*, Berlin, 1906. (Reviewed in third series, Vol. *36*, 397).

Pages 30 and 31 of Notebook “γ” (“Gamma”)

PATOUILLET, *AMERICAN IMPERIALISM*

Joseph Patouillet, *American Imperialism*, Dijon, 1904. (Thesis.) (388 pp.)

A thesis. The frail effort of a student. Of no scientific value, *apart* from abundant quotations and a *summary* of certain facts. Mostly legalistic prattle; economic coverage poor.

Quotes (at the start) widely known passages from Hobson (*Imperialism*).

Speaks of the fact of *British imperialism* (p. 33 et seq.) and *German* (p. 36 et seq.) (sections I and II of Chapter II).

A few words about Japanese and Russian imperialism (p. 39 in fine).

p. 43: "In practice imperialism means a bid for the keys of the world—not military keys as under the Roman Empire, but the main economic and commercial keys. It means not the rounding off of territory, but the conquest and occupation of the big cross-roads of world trade; it means acquiring advantageously located rather than big colonies, so as to cover the globe with a dense and continuous network of stations, coal depots and cables." (Quoted from *de Lapradelle*: "Imperialism and Americanism in the United States", *Revue du droit publique*, 1900, Vol. XIII, pp. 65-66. Quoted by Patouillet, p. 43.) ?

Driault (*Political Problems*, pp. 221-22): "The shattering defeat of Spain was a revelation.... It had seemed to be established that international equilibrium was a matter to be settled by five or six of the chief European powers; now an unknown quantity was introduced into the problem" (p. 49).

"Thus the Cuban war was an economic war inasmuch as its aim was the seizure of the island's sugar market; in the same way, the purpose of annexing Hawaii and the Philippines was to gain possession of the coffee and sugar produced by these tropical countries" (p. 51). (Idem, pp. 62-63)....

"Thus, the conquest of markets, the drive for tropical produce—such is the prime cause of the policy of colonial expansion which has come to be known as imperialism. And the colonies serve also as excellent strategic points, the value of which we shall indicate: ... to ensure Asian markets ... they had to have these support points"... (p. 64).

Exports from the U.S.A. (percentages)

Total exports ($ million)	Year	North Europe	South America	America	Asia	Oceania	Africa
	1870	79.35	13.03	4.09	2.07	0.82	0.64
	1880	86.10	8.31	2.77	1.39	0.82	0.61
857.8	1890	79.74	10.98	4.52	2.30	1.92	0.54
1,394.5	1900	74.60	13.45	2.79	4.66	3.11	1.79
	1902	72.96	14.76	2.75	4.63	2.48	2.42

numerous indications of a coming struggle for control of the Pacific

Hawaii is half-way between Panama and Hong Kong. The Philippines are a step towards Asia and *China* (p. 118). Idem 119-120-122.

The war with Spain over Cuba was justified by pleading the interests of *freedom*, the liberation of Cuba, etc. (p. 158 et seq.).

sic! The constitution calls for equality of all taxes, etc. in all the States of the U.S.A. This has been "interpreted" as *not applying* to the colonies, for these are *not part*, but *possessions*, of the United States (p. 175). "*Gradually*", we are told, the rights of the colonies will be enlarged (p. 190) (but equality will *not* be granted)....

Canada. Economic subordination prepares the way for political "integration" (p. 198).

"Germany" (sic) wants to "oppose a United States of Europe" to the United States of America (p. 205)....

...“Ever since 1897, Wilhelm II has repeatedly suggested a policy of union to combat overseas competition—a policy based on a European customs agreement, a sort of continental blockade aimed against the United States” (205).... “In France, a European customs union has been advocated by Paul Leroy-Beaulieu” (206).... United States of Europe[20] (and Wilhelm II)

...“An entente between the European states would, perhaps, be one of the happy results of American imperialism” (206). “happy result”

In America, developments have led to a struggle of the “*anti-imperialists*” against the imperialists (p. 268, Book II, Chapter I: “Imperialists and Anti-Imperialists”).... Imperialism, he says, contradicts freedom, etc., leads to the enslavement of the colonies, etc. (*all the democratic arguments*: *a number of quotations*). An American anti-imperialist quoted *Lincoln*’s words:

“When the white man governs himself, that is self-government; but when he governs himself and also governs others, it is no longer self-government; it is despotism” (272).

—*Phelps*, *United States Intervention in Cuba* (New York, 1898) and others have declared the Cuban war “*criminal*”, etc.

Chapter III, p. 293, is headed: “Present United States Policy: the Combination of Imperialism and the Monroe Doctrine”[21]: both combined, and interpreted!!!

The South Americans reject (p. 311 et seq.) the interpretation of the Monroe Doctrine to mean that America belongs to the *North* Americans. They fear the United States and want independence. The United States *has* “*designs*” on South America and combats *Germany’s growing influence there*....

(Cf. especially Novikov in the source references.*)

In annexing the Philippines, the United States cheated Filipino leader *Aguinaldo* by promising the country independence (p. 373): “The annexation was described as ‘Jingo treachery’”.**

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* See p. 213 of this volume—*Ed.*

** See present edition, Vol. 22, p. 287.—*Ed.*

N.B. *Atkinson*, *Criminal Aggression*, *by Whom Committed?* Boston, 1899.
The North American Review, 1899, September. *Filipino*: "Aguinaldo's Case Against the United States."

N.B. In South America there is a growing trend towards *closer relations with Spain*; the (Spanish-American) congress in *Madrid* in 1900 was attended by delegates from fifteen South American states (p. 326) (*). More contacts with Spain, growth of the latter's influence and of "Latin" sympathies, etc. (**)

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sic! p. 379: "The era of national wars has evidently passed"....
(wars over markets, etc.).

N.B. (*) *Revue des deux mondes*, 1901 (November 15).
(**) Slogan: "Spanish-American Union."

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(References from **Patouillet** on **American Imperialism**, etc.)

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Roosevelt, *American Ideals*, New York, 1901.—*The Strenuous Life*, London, 1903.
Paul *Sée*, *The American Peril*, Paris, 1903.
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L'Economiste français, 1899, 1, VII. *Leroy-Beaulieu*, "American Expansion, etc."

Le Monde économique, 1896 (April 4 and 18). *Machat*, "United States and European Commercial Rivalry in America."

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La Revue de Paris, 1899 (March 15). *De Rousiers*, "American Imperialism."

The North American Review, 1898, September. *Conant*, "The Economic Basis of Imperialism."

1897, No. 2. *Chapman*, "The Menace of Pseudo-Patriotism."

1899, No. 1. *Carnegie*, "Americanism versus Imperialism."

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1903, No. 1. *Bonsal*, "Greater Germany in South America."

The Fortnightly Review, 1901, August. *Brooks*, "American Imperialism."

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Le Mercure de France, 1904, April. *P. Louis*, "Outline of Imperialism."

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? *Novicow*, *The Federation of Europe*, 2nd edition, Paris, 1901.

‖ *E. Théry*, *The Economic History of Britain, the United States and Germany*, Paris, 1902.

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Lair, *German Imperialism*, Paris, 1902.

MOOS, "FRENCH CREDIT INSTITUTIONS AND FRENCH AND ENGLISH CAPITAL INVESTMENTS ABROAD"

Jahrbücher für Nationalökonomie, 3rd series, Vol. XXXIX (39), 1910.

Ferdinand *Moos*, "French Credit Institutions and French and English Capital Investments Abroad" (pp. 237-56).

scant

Only half a page on Britain, giving G. Paish's totals. But there are source references and figures on France:

Polemic: *Lysis*, "The Financial Oligarchy", Paris, 1907, and *Testis*, "Credit Institutions", Paris, 1907.

Henri Michel, "Speech in the Chamber of Deputies, November 30, 1909."

Le Monde économique, 1906 and 1907 articles (P. Beauregard).

Jules Domergue (Economic Reform).

M. Manchez (*Le Temps*, January 2, 1910) estimates French capital abroad at *35,000* million francs (p. 240).

Neymarck (*Le Rentier*) estimates French capital abroad at *25,000-30,000* million francs (p. 243).

The total value of securities on the Paris Stock Exchange = = 130,000 million franks (p. 243)

including { 64,000 { French } / 66,000 { foreign } }

Portugal obtained from Brazil 2,400 million francs between 1696 and 1754 (p. 238).

Dutch capital in Britain in 1747 was *1,600* million gulden (ibidem).

Money flows to where the rate of interest is highest.

According to Lysis: Deposits (of four banks)—(Crédit Lyonnais + Comptoir National + Société Générale + Crédit Industriel et Commercial) (p. 252):

1885—	912	million	francs
1890—	1,302	"	"
1900—	2,171	"	"
1905—	2,897	"	" (according to Lysis)

"For a seat on the board, one need only hold 50-200-300 shares.... Thus, about 50 persons, who need not have more than eight million francs between them, year after year control more than *2,500 million* francs of deposits, and more than *1,500 million* francs of new annual investments, without having to give account to anyone" (252). ‖ 50 *persons*

In the case of loans, the borrowing state never receives more than 90 per cent (p. 253)—the banks get the remainder. The 1895 Chinese-Russian loan was for 400 million francs at 4 per cent. "The price on flotation was 450. The first market price was 495. The highest market price was 520. The difference in one month was 45 francs, or 10 per cent.... On this deal, the Banque de Paris et des Pays Bas alone made a profit of 20 million francs" (253), and so on.

January 1907—Socialists in the Chamber of Deputies sharply attacked investment in *Russian loans*:)) N.B.

KOUZNIETSOW, *THE STRUGGLE OF CIVILISATIONS AND LANGUAGES IN CENTRAL ASIA*

P. Kouznietsow , The Struggle of Civilisations and Languages in Central Asia, Paris, 1912. (Thesis—Paris.) (353 pp.)

Deals **only with Turkestan**—its history and colonisation (mentions the Andijan uprising of 1898, warns for the future).... ((p. *295* and others)).

The development of culture, cotton-growing, railways, etc., etc. Many literature references.... The standpoint, apparently, is official.

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From recent literature:

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Henri Andrillon, *The Expansion of Germany*, Angoulême, 1909.

"The Development of Germany as a World Power" (supplement to *Annals of the American Academy*, January 1910).

!! *Nil*. An ambassador's speech!!!

Marcel Dubois, *France and Her Colonies*, Paris, 1910.

Jean Cruppi, *For French Economic Expansion*, Paris, 1910.

Jean G. *Raffard*, *Concentration of British Banks*, Paris, 1910.

L. *Gautier*, *The Financier State*, Paris, 1910.

N.B. || Eduard *Driault*, *The World Today. A Political and Economic Survey*, Paris, 1909. (372 pp.)

[A review in the *Jahrbücher*, Vol. 41, p. 269 speaks in a laudatory tone of this "textbook of world history", especially the significance of "economic processes for modern politics".]

Fr. E. *Lunge*, *American Economic Policy*, Berlin, 1910.

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J. Bourdeau, *Between Two Servitudes* (...Socialism... (!!!!) *imperialism*...), Paris, 1910.

Geoffray *Drage*, *The Imperial Organisation of Trade*, London, 1911. (374 pp.)

R. G. Lévy, *Banks of Issue*, Paris, 1911 (628 pp.).

Marcel *Gras*, *Machinism and Its Consequences*.... Paris, 1911. (Thesis.)

|| *Edmond Théry*, *Economic Europe*, 2nd edition, Paris, 1911. (332 pp.)

|| *Idem*. *The National Wealth of France*, Paris, 1911.

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Ed. *Pfeiffer*, *The Fabian Society and the English Socialist Movement*, Paris, 1911. (Thesis.)

Arthur Boucher (Colonel), *Victorious France in the Coming War*, Paris, 1911. (93 pp.)

Jahrbücher, Vol. *42* (1911). N.B. Article by Goldschmidt on agrarian laws and agrarian structure of *New Zealand*. N.B.

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Mamroth, *Industrial Constitutionalism*, Jena, 1911 (review in Volume *43*, 1912).

Schachner, *The Social Question in Australia and New Zealand*, Jena, 1911 (a detailed account in *Volume 43*, 1912).

Overzier, *The American-British Shipping Trust*, Berlin, 1912 (4 marks).

Goldschmidt, *Concentration in Coal-Mining*, 1912 (*Baden Higher School Economic Studies*).

Ibidem: *Briefs*, *The Alcohol Cartel*, 1912.

Hillringhaus, *The German Iron Syndicates*, *Their Development Towards a Single Syndicate*, Leipzig, 1912 (3 marks).

Enrico *Leone*, *Expansionism and Colonies*, Rome, 1911 (235 pp.), 2 lire.

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P. *Passama*, *New Forms of Industrial Concentration*, Paris, 1910 (341 pp.), 8.50 francs.

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Argentarius, *Letters of a Bank Director*, Berlin (Bank Publishing House), 1912 (1 mark) (??).

P. *Hausmeister*, *Large-Scale Enterprises and Monopoly in Banking* (a popular sketch), Stuttgart, 1912.

Hennebicque Léon, *Western Imperialism. The Genesis of British Imperialism*, Brussels, 1913 (295 pp., 6 francs) [Vol. *45*].

René Pinon, *France and Germany. 1870-1913*, Paris, 1913.

Émile *Becqué*, *Internationalisation of Capital*, Montpellier, 1912 (432 pp.), 6 francs.

B. Ischchanian, *Foreign Elements in the Russian National Economy*, Berlin, 1913 (300 pp.), 7 marks.

Review in Vol. 47: a good deal on the import of capital. Author estimates Russia's indebtedness to Western Europe at **6,000 million rubles**.

Paul Eckhardt, *Studies In World Economy*, Bielefeld, 1913 (140 pp.) (2.30 marks).

François *Maury*, *French Securities During the Last Ten Years*, Paris. 1912. (Ten years' statistics for capital-

ists. A **mass** of data with percentages and so on. Per cent of guaranteed securities, etc.)

LOUIS BRUNEAU, *GERMANY IN FRANCE*

Louis *Bruneau*, *Germany in France*, 2nd edition, Paris, 1914 (articles in *La Grande Revue*).

Quotes:

L. *Nicot*, *Germany in Paris* (1887).
G. *Montbard*, *The Enemy* (1889). It ends: "Germany must be destroyed if Gallia is to live."
M. Schwob, *The German Danger*, 1896.
" *Before the Battle*, 1904.
Em. *Jennissen*, *The German Spectre*, 1906.
André *Barre*. *The German Menace*, 1908.
Jean *d'Epée*, *Greater Germany*, 1910.
Henry *Gaston*, *Germany at Bay*, 19..?*

Germany lacks iron (deposits will be exhausted within 40 years (p. 3))—imports are increasing:

8 million tons in 1908
11 " " " 1911 (p. 2)

while in France deposits have been discovered at Meurthe and Moselle—in French Lorraine — — —

Iron output ... 2.6 million tons in 1890
4.4 " " " 1900
14.8 " " " 1911

Nancy	200 million tons of ore
Briey	2,000
Longwy . . .	300
Crusnes . . .	500

3,000 million tons of ore (p. 5).

Deposits discovered in Normandy: 100-700 *million* tons of ore.

French iron ore exports to Germany:

1.7 million tons in 1909
2.8 " " " 1912 (p. 21).

* The book was published in 1912.—*Ed.*

German coal exports to France:
1909—3 million tons
1912—5.7 " "

A Dutch merchant (Poorter) is buying up land with iron ore deposits in Normandy (already has 3,496 hectares), selling the ore to Germany (pp. 24-25). (Details follow.)

Stinnes and Krupp are buying up iron ore mines (30-31)—partly through Poorter.

Examples of "holdings" and composition of management boards (35)....

... (mostly Frenchmen + Germans)....

Thyssen, growth of his concern, etc.

Examples, composition of boards, financial holdings, etc., etc.

Migration of firms to France, etc.

No generalisations.

(See articles on this in *La Grande Revue*.)

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} Vol. **45**

Hans *Henger*, "French Capital Investments"... 1913, Stuttgart (*Munich Economic Studies* No. 125). ? |

Léon Wenger: *Oil* (Thesis), Paris, 1913 (Vol. 47, 1914).
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O. W. Knauth, *The Policy of the United States Towards Industrial Monopoly*, New York, 1913. (233 pp.) (*Columbia University Studies.*) | N.B. (?)
?? E. *Friedegg*, *Millions and Millionaires*, Berlin, **1914**. (383 pp.)

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Vol. *46* (1913, I). Article on Marx's theory of rent (Albrecht).
E. Rothschild, *Cartels*, etc., 1913.

Volumes *45-47* looked through.
Vol. *48* (1914, 2): Julius *Hirsch*, *Branch Enterprises*, *etc.*, Bonn, 1913. (*Cologne Studies* No. 1.)
Laudatory review in *Conrad's Jahrbücher*, Vol. *48*).
N.B. [*This volume—p.* **649**—contains nineteenth-century statistics of *livestock farming* (very full) for many European countries.]
N.B. *Walter Straus*, *German Power Grids and Their Economic Significance*, Berlin, 1913 (especially about agriculture and for agriculture).

N.B. Conrad's *Jahrbücher für Nationalökonomie*, 1915, I (3rd series, Vol. 49): "Fluctuations in Immigration into the United States". (Statistical totals for 1870–1910.)

LYSIS, *AGAINST THE FINANCIAL OLIGARCHY IN FRANCE**

Lysis, *Against the Financial Oligarchy in France*, 5th ed., Paris, 1908 (260 pp.). The chapters are dated November 1, 1906; December 15, 1906; February 1, 1907; May 1, 1907; November 15, 1907.

In the preface, Jean Finot states that the British press has confirmed the fact reported by Lysis (first in *La Revue*): A certain person made *12 million* francs (p. vii) out of the 1906 Russian loan, besides "a hundred million" (ibidem) in *commissions*!!

Date?? This was discussed at a sitting of the Chamber of Deputies (two days) (when?).

Four banks have an "absolute monopoly" (p. 11) (not a relative one)—in all bond issues.

"a trust of the big banks" (p. 12)
- Crédit Lyonnais
- Société Générale
- Comptoir d'Escompte + Banque de Paris et des Pays-Bas
- Crédit Industriel et Commercial

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* See present edition, Vol. 22, pp. 233-34, Vol. 24, p. 403, Vol. 23, p. 197.—*Ed.*

The borrowing country receives 90 percent of the sum of the loan (10 percent goes to the banks, "distributing" and "guarantee" syndicates, etc.)—p. *26*.

Russo-Chinese loan 400 million francs. Profit *about* 8%

Russian (1904) 800 " " " " 10%

Moroccan (1904) 62.5 " " " " 18¾%

"The French are the usurers of Europe" (29)....

"The financial press almost always enjoys subsidies" (35).

The Egyptian Sugar Refineries Affair: the public lost 90-100 million francs (39). The Société Générale issued 64,000 shares of this company; the price on issue was about 150 percent (!!).... The company's *dividends were* "*fictitious*" (39)....

"One of the *Société Générale* directors was a director of Egyptian Sugar Refineries" (39). ||| !!!

Fifty persons, representing eight million francs, control *2,000 million* francs in these four banks (40)....

What is to be done? "Return to competition" (42)....

"The French Republic is a financial monarchy" (48)....

The 1906 Russian loan: Mr. *X*, "an intermediary of the banks", made *12 million* (49).

It is impossible to understand anything from the reports and balance-sheets....

"1,750 million in three lines" (57)....

What is the source of bank profits? *Stock issues*. This is concealed.

"An example: without a prospectus, without publicity, *secretly*, by the muffled and hidden work of its 'cashiers' and 'business agents', the Crédit Lyonnais sold 874 million francs worth (nominal value) of Russian Nobility Land Bank bonds. At an average price of 96.80. The market price at present is 66. *The loss to the public*: *269 million francs*!" (pp. 75-76)....

"Alarming export of French capital" (p. 93 et seq.).

France is the "world's usurer" (119).

The fall in the market price of Russian bonds (as against the price of issue) is such that out of *14,000 million* francs, 3,000-4,000 million are lost by the public: that is what the public pays the banks!!!

And endless wailing about the banks not supporting **French** industry.... Germany is advancing, we are marking time (187 and passim)... "anti-national policy", etc.

Chapter V is headed:

"Complete Domination of the Financial Oligarchy; Its Hold over the Press and the Government"....

The banks' means of pressure on the government: lowering the rate of interest... (!!)

secret subsidies:

1 million to a Minister
¼ million to an ambassador (p. 212) } !
bribes to the press...

(Has used only newspaper articles, nothing else).

Author's conclusions: regulation of banking
separation of banks of deposit from banks of issue (d'affaires)
control....

((A commonplace philistine))

NOTES ON BOOKS BY MACROSTY, BAUMGARTEN AND MESZLENY, AND BERGLUND

Henry W. *M a c r o s t y*, *Trusts in British Industry*, Berlin, 1910.

> Mass of facts, major and minor. Essential for information, etc.

Baumgarten and Meszleny, *Cartels and Trusts*, Berlin, 1906 (an economic and *legal* survey. Apparently, nil novi).

Abraham *Berglund*, *The United States Steel Corporation*, 1907. (Thesis.)
(Description and literature references. Amateurish, but useful for information.)

HUBERT, *THE GERMAN EFFORT*

Lucien Hubert, *The German Effort*, Paris, 1911.
(A comparison of French and German (economic) development.)

Net railway income (per kilometre)

	1883	1906
France	19,165 francs	19,560
Germany	15,476	21,684
Great Britain	26,755	26,542

Merchant shipping (thousand tons)

	1890-01	1906-07	+%
Great Britain	5,107	9,732	+91
Germany	656	2,110	+222
United States	376	1,194	+217
France	485	721	+49
Norway	176	717	+308
Japan	76	611	+704
Italy	186	493	+165

Figures predominate, mostly given separately for *both* countries, without precise, comparative tables such as given above.
(Scientific value = 0)

BÉRARD, *BRITAIN AND IMPERIALISM*

Victor Bérard, *Britain and Imperialism*, Paris, 1900.
(381 pp.)

{ Cursory examination suggests a collection of newspaper articles: glib, extremely glib, journalism, but extremely superficial. Descriptive account, nothing more. "Joseph Chamberlain" is the heading of the first chapter. Quotations from his speeches, his career, fame, etc., etc. "Imperialism" forms the second chapter (or section: they are not called chapters nor are they numbered). This too is a "newspaper" account: "Markets, markets", **endless** examples and figures }

(on the decline of British trade, etc.) from Blue Books, but it is all fragmentary, superficial, and after Hobson and Schulze-Gaevernitz reads like a schoolboy's exercise—book.... Ditto about German competition, and so on and so forth. Nil. Nil.

A couple of examples which, possibly, might be useful:

Some of the arguments against imperialism:

"The same statistics prove further that the occupation of a territory by His Majesty's troops often benefits only foreigners and very little British subjects; in Egypt only German and Belgian trade has increased since 1881: British imports to Egypt amounted to £8,726,000 in 1870; £3,060,000 in 1880; £3,192,000 in 1892; £4,435,000 in 1897, whereas German imports rose from £E21,000 (Egyptian £=25.60 francs) in 1886 to £E281,000 in 1896, and Belgian imports rose from £86,000 to £458,000 in the same period" (p. 249).

"Having invented the extraction of sugar from beet, France became the world's leading sugar producer: she still had a monopoly in 1870, when Germany entered the field. A study of the French crops showed that, like Northern France, she had a favourable soil and climate in areas near her coal mines. But her soil was less fertile and her climate more severe. The fight against the French would have to be waged on unequal terms. Nevertheless, by 1882, French sugar manufacturers were already complaining: German sugar is penetrating the French market.... German beet has a 12 per cent sugar content; French growers say they cannot obtain more than 7 per cent"—the Germans had improved cultivation methods, fertilisers, selection, etc., etc.

"In less than twelve years of German competition, France, which invented beet sugar, was deprived of the profit from her invention. Her sugar law of 1884 was dictated by German science, Germany being henceforth the empress of sugar, and, in addition, of alcohol" (pp. 311-12).

Date at the end of the book: November 1898-April 1900.

LAIR, *GERMAN IMPERIALISM*

Maurice *Lair*, *German Imperialism*, Paris, 1902 (341 pp.)

Begins with a brief, routine description of British imperialism, then American, Russian, Japanese, and German ("Imperialism and Imperialists". Introduction).

Chapter I. "The Origin of German Imperialism." (1870.—Development and growth. Generally known data and figures. Much the same "journalistic" account as V. Bérard's.)

Chapter II. "The Soul of Imperialist Germany"... and the "Herr Doktor"—and Mommsen and Treitschke ... drawing-room gossip!—and a little quotation from Marx (requoted from Bourdeau).... Wretched piece of work. *Nil*

Chapter III. "Imperialist Policy."

ha-ha!! ...“The twentieth century inaugurates the reign of the barons of the big banks” (165)—and a quotation from Toussenel: “The Jews—the Kings of the Era” (!!).

Chapter IV. "*Yesterday*." More and more figures on Germany's economic growth. The Baghdad railway, etc.

Chapter V. "Today."—On the crisis of 1900, prattle....

Chapter VI. "Tomorrow."

...Resolution of the Paris International Socialist Congress, September 1900—"against imperialism" (p. 324) and wars....

A bit of everything!...

He quotes:

Forum, June 1899: "The Struggle for the Commercial Empire."

The North American Review, September 1898: "The Economic Basis of Imperialism".

Paul *A r n d t*, *Germany's Trade Relations with Britain and the British Colonies*, 1899.

Julius Wolf, *The German Empire and the World Market.*

BRIEFS, *THE ALCOHOL CARTEL*

Goetz Briefs, *The Alcohol Cartel*, Karlsruhe, 1912. (*Baden Higher School Studies*. New series, No. 7.) It seems—at a glance—to be a specialised, uninteresting work.

Mono-poly

pp. 240-41: "Thus de facto the ring of alcohol plants [there remain three "outsiders", quite weak] has become a monopoly centred around the almost completely syndicated potato distilleries; this completes the external power structure of the cartel."

GOLDSCHMIDT,
CONCENTRATION IN THE GERMAN COAL INDUSTRY

Kurt *Goldschmidt*, *Concentration in the German Coal Industry*, Karlsruhe, 1912 (122 pp.).... (Ibidem.* New series, No. 5) [little of value, no precise summary of data]

		Coal (million *tons*)	Steel (million *tons*)
1.	1 Krupp	2.4	0.98
2.	Haniel Family	8.7	0.59
3.	Stinnes "	2.5	
		5.5	0.79
		1.5	
4.	Thyssen	3.6	0.97
			0.27
6.	Gelsenkirchen	8.2	0.51
7.	Harpen	6.7	—
8.	Hibernia	5.1	—
9.	Phönix	5.4	1.13
		49.6	5.24
5.	Karl Funke	3.1	
		2.8	
	Σ (my)	55.5	5.24

* *Baden Higher School Studies.—Ed.*

"Nine concerns control 66.9 per cent of the coal output of the basin" (((the Rhine-Westphalian))) "and 48 per cent of the output of the federation of steel plants" (p. 69).

The *Stinnes concern* (pp. 69-70) comprises the following enterprises:

(1) coal mines 19
(2) iron and steel mills 7
(3) iron ore mines . . . . . numerous
{in Germany, Luxemburg, France}
(4) trading (coal) 6
(5) shipping . . . . .)
in Germany . . . . . 12)
" Great Britain . . . . . 5)
" Italy . . . . . 3 }
" France . . . . . 2)
" Belgium . . . . . 1)
" Switzerland . . . . . 1)
" Russia . . . . . 2)

etc.

RUSSIER, *THE PARTITION OF OCEANIA*

Henri *Russier*, *The Partition of Oceania*, Paris, 1905. (Thesis.)

A very detailed *summary* of a mass of material. Unfortunately, there are no exact statistical totals (à la Supan). Well compiled. Many source references, maps, photographs.

Author divides the history of the "political partition" into periods:

1) discovery (16th-18th centuries)
2) missions (1797-1840)
3) "first conflicts" (1840-70)

N.B. ||| 4) "international competition", 1870-1904.

{ Author quotes, inter alia, the summary table (of the partition) from *Sievers and Kükenthal*, *Australia*, *Oceania and the Polar Countries*, Leipzig, 1902. Pp. *67-68. To be looked at.* }

This is followed by detailed *economic*, commercial and geographical information about each of the colonies.

To the economic causes of colonial policy the author adds (N.B.)—social causes:

"To these [enumerated above and well-known] economic causes must be added social causes.—Owing to the growing complexities of life, which weigh heavily not only on the masses of the workers, but also on the middle classes, one sees accumulating in all countries of old civilisation 'impatience, rancour and hatred that are a menace to public order, declassed energies and turbulent forces, which must be taken in hand and given employment abroad in order to avert an explosion at home'"* (Wahl, *France in Her Colonies*, Paris, p. 92)—(pp. 165-66).

gem!!

N.B. References to **British imperialism** (p. 171);—to *American* (p. 175), after the Spanish-American war of 1898;—to *German* (p. 180).

N.B. He quotes, among others, *Driault*, *Political and Social Problems at the End of the Nineteenth Century*, etc. (Paris, 1900), Chapter XIV, "The Great Powers and the Division of the World".

VOGELSTEIN, *CAPITALIST FORMS OF ORGANISATION IN MODERN BIG INDUSTRY*

Theodor **Vogelstein**, *Capitalist Forms of Organisation in Modern Big Industry*, Vol. I: "Organisational Forms of the Iron and Textile Industries in Great Britain and America", Leipzig, 1910.

pp. 54-56.

The British firms: Vickers, Son and Maxim, Ltd.; Browns; Cammels, now own (iron ore) mines, coal mines, iron and steel plants, shipyards, several explosives factories, etc., etc.

* See present edition, Vol. 22, pp. 262-63.—*Ed.*

The Rail Cartel:

Division of the world: 1884

"During the very severe depression of 1884, British, Belgian and German rail firms agreed on a division of export business, on the understanding that there would be no competition in their home markets. At first Great Britain was allotted 66 per cent, Belgium 7 per cent and Germany 27 per cent of the exports; later the figures were somewhat modified in favour of the continental countries. India was reserved entirely for Great Britain.... The British firms divided their share among themselves and fixed a price which enabled plants working under unfavourable conditions to continue in operation.... Joint war was declared against a British firm remaining outside the cartel, the cost of which was met by a levy of two shillings on all sales. But when two British firms retired from the cartel, it collapsed"....* (quoted from the edition of *1886*).... "Twenty years elapsed before a new international association was formed. In spite of all efforts, it was impossible, during these decades of rapid industrial development on the continent and in America, to reach agreement on territorial limits and quotas....

1886

"In 1904 an agreement was at last reached with Germany, Belgium and France on the basis of 53.50 per cent, 28.83 per cent and 17.67 per cent for the first three countries" (sic?? Britain, Belgium, Germany??). "France took part with 4.8 units in the first year, and 5.8 and 6.4 units in the second and third years, in a total amount which

1894

* Ibid., pp. 251-52.—*Ed.*

was increased by these percentages, hence in 104.8, 105.8 and 106.4 units.

"In 1905 an agreement was reached also with the United States, and in the following year ... Austria and the Altos Hornos plants in Spain were brought into the alliance. At the present time, the division of the world is complete, and the big consumers, primarily the state railways—since the world has been parcelled out without consideration for their interests—can now dwell like the poet in the heavens of Jupiter"* (pp. 99-100).

"division of the world"

good example!!

As regards the United States Steel Corporation, it is still an open question whether Charles Schwab is right in maintaining that the iron ore mines of Lake Superior (mostly bought up by the Steel Corporation) will soon be the only ones left—or whether Carnegie is right in thinking that many ore deposits will still be found in America.

The share of the Steel Corporation in *American* output (p. 275):

	1901	1908
Total output (extraction) of ore	43.9%	46.3%
" " of pig-iron . . .	42.9	43.5
" " " steel	66.3	56.1
" " " rolled goods . .	50.1	47.1**

PLAN OF THE BOOK *IMPERIALISM, THE HIGHEST STAGE OF CAPITALISM*

Imperialism, the Highest Stage of Capitalism
(A popular outline)

Approximate title for censorship: "Principal Features of Modern (Recent, the Recent Stage of) Capitalism"

1. The *special* stage of capitalism in our time. Theme: its study, analysis, conclusions.

* See present edition, Vol. 22, p. 252.—*Ed.*
** Ibid., p. 203.—*Ed*

2. *Growth of large-scale production. Concentration of production.*
{ Censuses of 1882, 1895, 1907 in Germany
{ " " 1900, 1910 in the United States
Idem on Russia (*The Development of Capitalism*?).
Heymann's statistics... β *108* [200-01].*
Branches (of banks) and their growth: α 15 [39].
Assets of German joint-stock companies: α 22 [44].
"Combination": Hilferding ϑ 4 and 5 [334-37] (pp. 285, 358).
Concentration in the German coal industry: γ *26* [226-27]. *Especially* α 7-8 [33-35].
New era of concentration: β *11* [85-86].
Concentration of technique and finance. N.B. β *102-03* [194-96].

3. *Cartels and Trusts.*
(2)** General figures: Liefmann: α *40* [55-56]. Riesser ϑ *8* [360-63]. Tafel β *37* [113].
(1) Periods of development: Liefmann. Vogelstein: αἀ *33-34-35* [71-72].
(4) Technique: Tafel: β *38* [113-14].
(5) *Compulsory Organisation* by Kestner. α *23* [44-45] *et seq.*, *27* [46-47], especially **28** [47-48].
Immobility (hindrance to outflow) of fixed capital. Hilferdingr ϑ *4* [334-35] (p. *274*).
‖ Merchants=agents: Hilferding. ϑ 5 [335-37] ‖
‖ (p. 322). ‖
Example: Cement: β *99* [189-90].
(3) Share of the United States Steel Corporation: γ **28-29** [228-30]. β *104* [197-98]. α *40* [55-56]. ι *8* [378].

3 bis. Crises÷ ***Disproportional development of agriculture and industry.***
(6) Crises and *monopolies*: β 78 [160-61] (Jeidels).

* Figures in square brackets refer to pages of this volume.—*Ed.*
** The numbering in round brackets was made by Lenin later, in pencil.—*Ed.*

β *90* [173-74] (especially in fine). Chance, risk, bankruptcies: ι *11. 12-13* [379-81].

4. *Monopoly*.

(2 bis) Percentage of industry involved: Vogelstein. Kestner: α *23-24* [44-45].

5. *International Cartels*. "*Division of the world*" *among them*.

Cf. Hilferding ϑ 5 [335-37] (p. 491).

6.* Total figure: Liefmann.

5. 5. Explosives trust: α 39 [55].

2. 4. Oil: β *13* [89-90]. β 64 [141]. β *87* [170-71]. β 92+93 [175-77 + 177-79].

3. 3. Shipping: ϑ Riesser *10* [364-65].

4. 2. Rail cartel: ϑ Riesser *11* [367-68].

Vogelstein: γ 28 [229].—Berglund, p. 169.

1. N.B.: Electricity trust. *Die Neue Zeit*, 1912: ϑ 7-8 [338-41] (cf. ϑ Riesser *1* [343-45]). + β *64* [140]. β 89 [172-73].

Trade in metals: α *11-12* [36-38].

Zinkhüttenverband: ϑ Riesser *13* [366].

7. Conclusions and significance.

6. *Banks*.

0. Their general role. Cf. Hilferding: ϑ *3* [333-34] (p. 105) and ϑ 4 [334-35] (p. 108, p. 116).

6. "The *form* of social production and distribution" (Marx). Hilferding ϑ 4 [334-35] (p. 262) N.B.: β *41* [117-18] **in fine**.

Growth of British banks: β *95* [181-83]

1. Their concentration: ϑ Riesser *1.5* [343-45, 349-51]. γ 5 [206-07] France; β *99-100* [88-92]; β 7 [80-81] (300 million: 300 persons); β 13 [89-90]. (β 78-79 [160-61]—Jeidels). α *45 and 48 + 1* [59-60 and 64-66 + 66].

4. Letters: ϑ Riesser *2 bis* [349].

5. Accounts: γ 5 [206-07].

2. Branches: ϑ Riesser 13 [353-54]. (β 50 [125-27]—Russia). β 66 [142-44] (France). β 67 [145-147] (Great Britain). *Banks in Russia* (*1905 and after*): β *42 and 43* [118-20].

* Two columns of figures were pencilled in by Lenin later.—*Ed*.

Banks and the Stock Exchange: Hilferding. ϑ Riesser *3* [347-48] + β 10 [84-85]. (*N.B.*: α *42* [53-54]). ((α 42 [53-54])). α *46* [60-62]. 3. Banks and employees: ϑ Riesser 3 [347-48]. β *66* [142-44]. β *100* [190-91]. α *43* [56-58].
5 bis. Banks and the Post Office: β *3* [77-78].
" " savings banks: β 15 [92-93].

7. *Banks.*
7. Merged with industry. Hilferding: Marx, II, 79 (ϑ 3 [333-34]). β *80-81* [162-65] (Jeidels).
8. Members of Supervisory Boards, etc. Hilferding: 4 [334-35] (p. 159. 162).—ϑ Riesser 7 [354-359]. —β 79 [161-62] (Jeidels). β *81* [163-65]. (α *41* [52-53] example—bank's letter to an industrial company).
9. "Universal character" (Jeidels): β 81-82. *83*. 84-87 [163-65. 165-66. 166-70]. β 88 [171-72]. (Technical role.) β *90* [173-74].—β *99* [190-91]. N.B. Tendency of the banks towards monopoly. *Hilferding*: ϑ 4 [334-35] (p. 278). α *48* [64-65].

8. "*Finance capital.*"
1."Holdings." β *96-97* [183-86] (β 53 [127-29]). βα *46 and 47* [121-123] (Germany. *Deutsche Bank*). β 56 [130-32]. β *94* [178-81]. ι **11** [380].

N.B. example of distribution of shares: β 65 [140-42].

Ad § III. "Holdings" in Russian banks: β *49* (and 48) [123-26 (and 122-23)].
2. "Interlocking."
3. "Subsidiary companies." β 9 [83-84]. β *105-06* [198-200] ι *7. 9* [377-78. 379].
Fraud.
Concessions.
Bribes.
7. "Transport trust" and urban land: β 12 [86-89] + β *94* [178-81].
(Speculation in land): β 15-16 [92-94].
8. Bank directors and officials (government): Russia β *50-51* and 53. 55 [125-27 and 127-28. 129-30]. β *95-96* [181-85]. β *99* [188-90].

4. ***Company promotion;*** "Founders' *profit*":

Hilferding: ϑ 5 [335-37] (p. 336). Lysis: γ *19. 20* [220-221. 221-22]. + β *65* [140-42]. German example: β *8* [81-83].
Foreign loans: Lysis γ 19-20 [220-22]. α *2* [66-67]. (German) β *14* [91-92].
9. **Statistics of issues** (1910-12): ϑ 9 [341-42]. ι *23* [386-87]. (*Idem* from 1871): β *17* and *68* [94-96 and 147-49]. β 68 [147-49] (Neymarck and Zollinger]. α *47* [62-64] (ad § 18).
6. Profit from issues: α *38* [52]. ι 3. 5 [374-75. 376-77]. β *14* [91-92].
5. N.B. "Reconstruction." Hilferding: ϑ [334] (p. 172). Stillich: α *38* and *41* [52-53]. Liefmann: ι 3 [374-75]. The financial history of France: λ *2-3* [437-38].

9. *Export of capital* (§ IV).
Introduction? Growth of capital and its contradictions.
Growth { Hobson—ϰ 9 [409-10].
Lescure: γ 5 [206-07]. β 67 [145-47].
(Mehrens). β *69* [146] (Neymarck).
Amount: Neymarck (β *68* and *69* [147-49 and 149-51]) + ϑ *Riesser 14* [371].
Harms: ζ *3*-5 [286-87]. ζ *30* [323].
Arndt: ε *1* [273].
Diouritch: β *63* [139-40].
Kaufmann: β 66 [142-44].
Schulze-Gaevernitz: a *2* [66-67].
Significance.
Connection with export of commodities. Exports and investment of capital: β *30* [108-10]. (*Hilferding* ϑ.) β *100-01* [191-94] (loans and exports). N.B. See 20.*
(Orders, etc.): β 14-15 [91-92].
Contracts: β **27** [105-06]. β 28 [107-08]. β 29 [108-09].
Banks in the colonies: β *65* [141-42]. β *30* [48-50]. (+ ϑ **Riesser 7** [354-59]).
Foreign loans (? § III ?) (α 2 [66-67]) N.B. Foreign capital in China, Japan, etc. β 17 [94-96].

* See p. 237 of this volume.—*Ed.*

German capital in Russia: γ 42 [249-50] (cf. β *58* [132-331). α *31* [68-69]. η 13 [330]. Foreign capital in Argentina and other countries β 29 [108-09] and β **30** [109-10].
Canada: β 94 [180-81].

"*Dumping*". Where to? Where? for §VII? see 16*

10. *Colonies.*
Their general significance: agriculture: β *18* [96-97].
Colonial loans ι *21* [386].
Colonial banks: ϑ Riesser *7* [354-59].
Social significance of colonies. Wahl: γ *27* [226-28].
Raw materials: β 18 [96-97].
Sales: exports to colonies. β *20* [98-100].
Suppression of industry and development of agriculture, etc. β *24-25* [103-05]. (India, etc.) β 26 [105-06].
America in the Philippines: β 26 [105-06].
***Britain*: *Suez*:** α *44* [58-59].
(1) Monopolies—(raw-material sources).
(2) Export of capital (concessions).
Finance capital = domination.

11. *Growth of colonies.*
Morris: γ 47 [251] et seq.
1860
1880 ϰ 2-3 [406-08]
1900

12. "*Division of the world*": 1876 and 1914 (colonies). ζ 5-7 [294-99]. Britain's virtual protectorate over Portugal, Norway, Spain (N.B.): β 21, 22, 23 [100-01-03]. Siam (ibidem). Argentina—*Sartorius, p. 46* (Argentina): ξ 28 [545-46]. λ 25 [452-53]. (idem).
N.B.: (αα Colonies....)
(ββ Semi-colonies....)
(γγ Financially dependent countries....)—cf. α *31* [69-70].

3 13. *Uneven growth and "redivision" of the world.*
Britain versus Germany. Crammond: ι *35-36* [398-400].

* Ibid., p. 237.—*Ed.*

General (new discoveries) ι *12-13* [380-81].
Patents: λ *28* [453-54].
France versus Germany. Théry: γ 3 [204-05].
Hubert: γ 22 [223]. Bérard: γ *24* [223-24].
United States, Britain and Germany. *Vorwärts*, *1916*. μ 1 [461-63].
London as world market and money power. β 4-5 [78-80].
("¾ of trade", etc.) (cf. α *46* [60-62]).
(Not for §7 or 8??)
β 96 [183-85] (iron (world output): 1850-1910).
β 98 [186-88] (deposits).
Water-power: β *62* [137-38].
Cables: β 64 [140-41]. ζ 3 [290-93].
[[Iron, steel, electro-steel: β *99* [188-90].]]
[α *31-32* [69-71]: drive of German imperialism!]

Hobson: 103; 205; 144; 335; 386 [415-16; 419; 417-18; 429-30; 434-35].

2 14. *Picture of relationships in the world economy.*
R. Calwer. (Corrections.) μ [464-66].
Railways. 1890 and 1913. μ [484-490].
Comparison of their growth with that of iron and steel production. μ [490].
Chapter VII. 127-146-162.*

1 15. *Summing up. Principal economic* (*industrial*) *features of imperialism....*

α: Concentration and monopoly. 1.
β: Export of capital (chief thing). 3.
γ: Bank capital and its "threads". 2.
δ: Division of the world by industrial monopolists. 4.
ε: Idem—colonies. 5.

K. Kautsky's definition. δ [268]
versus:
Incompleteness of Hilferding's definition: ϑ 5 [335-37] (p. 338) cf. ϑ 6 [337-38] (p. 495).
P. Louis in 1904: γ *43-45* [250-51].

* In Chapter VII, Lenin included §§13, 14 and 15 in reverse order; the numbers refer to the pages of the MS. of Lenin's book *Imperialism, the Highest Stage of Capitalism*.—*Ed*.

{ Distinction from the old colonial policy. *κ 1. 36.* 40 [405-06. 427-28. 429-31].
Hobson's definition or conception. *κ 11* [411]. *κ 13-14.* 17 [412-14. 415-16]. *κ 32* [425].
Chapter IX. 162.

16. "*The economic policy of finance capital*" *and the critique of imperialism?*
"Dumping."
"Protectionism"—its growth in Britain, Belgium, Holland. β 19 [97-99].
The new significance of protective tariffs. *Engels* in Hilferding. ϑ 5 [335-37] (p. 300).
Coercion *κ* 11 [411]; (annexations). *42* [431-33].
β *97* [185-86]: exports and finance capital.
17. *Back to free* competition or *forward* to overcoming *capitalism*? Hilferding: ϑ 6 [337-38] (*p. 567 N.B.*).
18. *Parasitism and* "*decay*" of capitalism. *The* "*rentier state*"... (α 2 [66-67]). α 3 [67-69]. β 30 [108-10] (five creditor states). (!!) β 95 [181-83] (Germany). λ *19* [445-47] (a creditor state). λ *21* (22-23) [448 (449-51)]. λ *25* [452-53]. λ 26. 27. 28. 29 [452-56]. *κ* 46-48 [434-36]. *κ* 18. 21. 25. 34 [415-17. 417-19. 420. 426-27].
κ 9 [409-10] (15%) and *10.39* [410-11. 429-30] Holland. γ 14 [214-15] (Moos).
Hildebrand = apprehensions about monopoly: β *34* [110-12] et seq.
Foreign workers in *Germany* (statistics, 1907).
Foreign workers in *France*. δ 8 [263-64].
Emigration and immigration. *κ 5* [409].

Statistics of issues from §8.

N.B.: Sartorius ξ *29* [547-48].

1) 19. "*Ultra-imperialism*" *or* "*inter-imperialism*"?
κ 7 [430-32] (cf. λ 20 [447-48]).
20. *Kautsky* and *Hobson* versus Marxism.
N.B. Kautsky versus *Agahd*. β
Exports to Canada: λ *20* [447-48].
Trade with independent and dependent countries. β *100-02* [191-95].

Puerto Rico. λ *21* [448-49].

21. *Apologists and petty-bourgeois critics* of imperialism. The apologist Schilder: β *27* [105-07]. Hildebrand: β *35* [111-13].
Nieboer α *13* [38-39].—*ϰ* 25. 27. 30 [420. 421-22. 423-24] (Fabians). 31 [424-25]. Liefmann.
Hobson. *ϰ 1* [405-06]. *ϰ 15*.
16 [414-16]. Cf. β *40* [116-17] on K. Kautsky.
American anti-imperialists. Patouillet.
γ 11 [209-11]. V. Bérard on Egypt: γ *23* [224].
Agahd: β *41* [117-18] et seq. β *54* [128-30]. β *59* [133-34]. β *60*. *61* [135. 136-37].
(*Eschwege*. "Etatisation"; he is against it: β *94* [178-81]). β *100* [191]: against Baghdad.
Neymarck is for "peace": β 69 [149-51] (125).
The Pereires are for world peace. α *42* [53-54].
Apologists: Riesser (ϑ) and Schulze-Gaevernitz (α 47 [62-64]).

22. *Imperialism and opportunism*.
British liberal labour policy.
Definitive split in the working-class movement. Upper stratum of workers. λ *18* [446]. *22*. *22-23*. *23*. *30* [449-50. 449-51. 450-51. 456-57]. *ϰ 24* [419-20] (205) (bribery). [*ad 18?*].

2) 23. *Diplomacy and foreign policy* 1871-1914 {brief mention}. α *3*.
...Hilferding ϑ *6* [337-38] (p. 505) .... ϑ Riesser *11* [367-68].
British foreign policy (1870-1914)... β 23 [100-02].
German: β **97** [185-86].
Hishida: γ *6* [207].
Oceania: γ *27* [227-28].
Patouillet: γ *9* and *10* [209 and 210].
Hill: γ *46* [251].

3) **23 bis**: *Imperialism and democracy. Finance capital and reaction* (α **31** [68-70]). Nieboer: α 13 [38-39].

4) 24. *The national question* in the era of imperialism (brief mention).

"National wars." Patouillet: γ *12* [210-11].
America and colonies. Patouillet: γ *10* [209].

Growth of the national movement. β **28-29** [106-08].
Hildebrand's arguments contra. β **35** [111-12].
Nieboer: α *13* [38-39].
Hilferding: ϑ. ϰ 17-19-20 [416-17-18]. ι 3 [374-75].
Conclusion. *The place of imperialism in history* (?).

25. "*Interlocking*" *versus* "*socialisation*".
{Rate of growth and over-ripening ... (their) compatibility).
"Decay" and birth of the new....}

Bottle manufacturers. *Die Neue Zeit*, 1912 (30, 2), p. 567. The inventor's name is Owens, not Owen!

Liefmann: α **40** [55-56].
Riesser: ϑ 3 and *10* [346-47 and 363-65].
Saint-Simon and Marx (Schulze-Gaevernitz):
α **43-44** [56-59].
Rate of growth: ϑ Riesser 9 [362-63].

Technical progress and torment (Quälerei).
Taylor and "Motion Study" β *70-77* [152-60].

Summing up and conclusions. Imperialism and socialism. N.B.:
Optimism [regarding opportunism?].
Monopoly and free competition—banks and socialisation.—
Interlocking and socialisation—division of the world and redivisions.—
"Transition" to ... what? β *84* [166-69].
Tschierschky in favour of cartels (against trusts): afraid: β *104* [197-98].
Incompleteness of Hilferding's definition. §*15*. (To come here?)

ADDITIONS TO THE PLAN OF THE BOOK*

(b) Three contradictions of capitalism: 1) social production and private appropriation, 2) wealth and poverty, 3) town and countryside, inde—export of capital.
(a) Its distinction from export of *goods*.
The distinctive character of **modern** colonial policy:
(1) monopoly (raw materials);
(2)—(reserves of land);
(3) (delimitation—"autarchy");—monoculture: β *25* [103-05].
(4) (export of capital)
(5) concessions, etc.

N.B.	1. Social significance (domination (Hilferding, 511)) Hilferding **N.B.** cf. *Wahl*. 2. Dependence of "independent" countries.

p. 14, middle, "processing of raw materials"? Raw-materials industry? + (N.B.) (from *Die Neue Zeit*). Add about **chemical** trust. Add about "naïveté" of *Die Bank* in § on financial oligarchy.

PLANS OF SEPARATE CHAPTERS OF THE BOOK

III. Founder's profit and profit from stock issues
Reconstruction
Urban land holdings
Banks and the government
Statistics of issues
VI. 1. Supan. %% 1876. Idem 1900.
2. Morris.
3. Table.
3 *bis*: "dependent countries".
4. Colonies, formerly and now
exports—sale
raw materials
suppression of industry.
VIII. 1. The rentier state.

* The whole of the following text of additions was crossed out by Lenin in pencil.—*Ed*.

2. Hobson 9 and *10* [409-10 and 410-11] (income from *capital investment*: λ **21** [448-49].
3. Hobson *30* and *46-48* [423-24 and 434-36]. Prospects.
4. λ *28*. 29. [453-54. 455-56]. λ *24-25* [451-53].
4 *bis*. Foreign capital.
5. Decrease in the percentage of productive workers.
6. Engels and *Marx* on British workers.
300,000 Spanish workers in France.
La Bataille (June 1916).

IX. *Critique of imperialism.*
1. Critique = ideas in general.
2. Apologists. ("Fabians.")
3. Petty-bourgeois democrats.
4. Kautsky versus Hobson (*K. Kautsky and Spectator. N.B.*)
5. Forward or back?
6. Free competition versus customs duties, dumping, etc.
7. Exports to dependent countries.
8. Ultra- or inter-imperialism?
9. Political features of imperialism (diplomacy).
{reaction / national oppression}

X. I. Imperialism is monopoly capitalism.

(a) Trusts	(1) Trusts
(b) banks	(2) seizure of raw materials
(c) division of the world	(3) banks
	(4) division of the world

II. Imperialism is parasitic or decaying capitalism.
(1) bourgeoisie, republican and monarchical? America and Japan?
(2) opportunism.
{the struggle against imperialism without breaking with and combating opportunism is deception.}

III. Imperialism is transitional or moribund capitalism.

I. and 1-4. — —
II. — and (1)+(2)."Optimism" about opportunism.— —

III. Interlocking versus socialisation.

Saint-Simon and Marx.—*Riesser* on rate of growth.—Transition to what? (β **84** [166-69] already mentioned). Taylor to come here?

GENERAL PLAN AND VARIATIONS OF CHAPTER HEADINGS

A. 1. Introduction.
B. 2-15. Economic analysis (principal relations of production).
C. 18. (Parasitism.)
D. 16-17. Economic policy (customs policy).
E. 19-22. Appraisal (attitude to ..., critique) of imperialism.
F. 23-24. Some political relationships and connections.
+ 18 parasitism.
25. ΣΣ.

Roughly:

I. Concentration of production, monopolies, cartels.
II. Banks and finance capital.
III. Export of capital.
IV. Economic division of the world: international cartels.
V. Political division of the world: colonies.
VI. General summary = the concept of imperialism and imperialist policy.
VII. Critique of imperialism.
VIII. Interlocking or socialisation?

Up to ten chapters, if II = two chapters + possible supplements, introduction and conclusion.

Roughly:

I.	Concentration of production and monopolies.—	about 30	pages
II.	Banks.—	” 20	”
III.	“Finance” capital (and the financial oligarchy).—	” 30	”
IV.	Export of capital.—	” 10	”
V.	Economic division of the world.—	” 10	”
VI.	Idem political.—	” 20	”—120
VII.	General summary = imperialism (K. Kautsky).—	” 10	”

VIII.	Parasitism.—	"	20 "
IX.	Critique of imperialism.—	"	20 "
X.	Socialisation. General significance of imperialism (?) The place of imperialism in history.—	"	10 "

Σ = 180

I. Concentration of production and monopoly.
II. Banks and their new role.
III. Finance capital and the financial oligarchy.
IV. Export of capital.
V. Division of the world by capitalist associations.
VI. Idem by the Great Powers.
VII. *Imperialism, as a special stage.*
VIII. The parasitism and decay of capitalism.
IX.
X.

Lenivtsyn. Heading: "The Basic Peculiarities of Contemporary Capitalism."

(α) Note No. 101 (N.B.)
(β) Publication in a magazine of the same publisher?*

* See present edition, Vol. 35, pp. 226-27.—*Ed.*

TONNELAT, *GERMAN EXPANSION OUTSIDE EUROPE*

E. Tonnelat, *German Expansion Outside Europe*, Paris, 1908 (from 1906-08 articles in *La Revue de Paris*).

Author believes the occupation of Kiao-chow marks (pp. x-xi) the "beginning of the new period" of German colonisation, namely, the "*imperialist*" period (p. x and p. xi), the period of "world policy" (ibidem).

		pp.
Chapters: Germans in the	U.S.A.	(1-91)
" "	Brazil	(91-155)
" "	Shantung	(155-97)
" "	South Africa	(197-277)

In Brazil they "are not Germanising, but Americanising the south of Brazil" (p. 154)

(apparently, *nothing*)

(a general *account*, no more, about Germans abroad).

DRIAULT, *POLITICAL AND SOCIAL PROBLEMS*

J. E. Driault, *Political and Social Problems*, Paris, 1907.

((A general historical sketch of the "problems": Alsace-Lorraine, Rome and the Pope, Austria-Hungary, Turkey, the Mediterranean, Egypt, the "Partition of Africa", China, the United States (Chapter XI and its subsection: "Imperialism in the United States"), the Triple Alliance; the Franco-Russian Alliance, Chapter XIV, see my quotation,* Chapter XVI "The Social and Moral Problem". Mostly the remarks of a historian and "diplomat".))

From "*Conclusion*":

> "The present time is, in fact, marked by universal tension, in which the existing

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* See present edition, Vol. 22, pp. 264-65.—*Ed.*

state of peace is merely a truce, which many find too long and which many do not observe. The world is seized by a strange fever of imperialism, by fierce cupidities arising on all sides and shamelessly allowed to take effect. Society is shaken by the struggle of classes, everywhere violently conducted and hardly mitigated in recent times. Even the human mind is upset by doubts and the need for certainty.

"Mankind is in the throes of revolution—a territorial revolution, a new delimitation of frontiers, an assault on the great markets of the world, armaments up to the hilt, as if people were going to hurl themselves at one another tomorrow, for mutual ruin and extermination—a social revolution based on the worst feelings, the hatred of the poor for the rich, the contempt of the rich for the poor, as if society were still divided into free men and slaves, as if it had not altered since olden times—a moral revolution, a laborious transition from faith to science, painful anguish for people of sensitive conscience, the hard necessity for the churches to renounce controlling people's souls in order to devote themselves to educating them.—A profound revolution, the outcome of that of the preceding century, but much more severe because of its incalculable consequences: for at issue is not only the political organisation of states, but the material and moral condition of mankind" (393-94).

cf. K. Kautsky 1909

((And then platitudes: the nineteenth century accomplished much, it liberated nationalities, etc., etc., but it left much to be done. "For this (19th) century was a century of science, but it put it at the service of force." The next century must be a "school of justice", etc., etc. A liberal, nothing more. That makes his admissions all the more characteristic: he senses the storm.))

COLSON, *THE ECONOMIC ORGANISM AND SOCIAL DISORDER*

C. Colson, *The Economic Organism and Social Disorder*, Paris, 1912.

(Reactionary blather. Nil. Nil.)

This author has written a six-volume *Course of Political Economy*. Books 4-6 contain information on banks, trade, finance, etc.

Supplements to these (4-6) books, with new data, are published *each year* (1 franc). (Consult.)

REDSLOB, *DEPENDENT COUNTRIES*

Dr. Robert **Redslob**, *Dependent Countries* (*An Analysis of the Concept of Original Ruling Power*), Leipzig, 1914 (352 pp.). Purely legal study. Constitutional-law position of

Alsace-Lorraine
Finland
Bosnia
(×) Canada
(×) Australia
(×) South Africa.

} { **only** legal analysis }

Examination of part of the chapters (×) shows that the author cites interesting excerpts from laws indicating *growth of independence* in these British colonies, which have *almost* attained the position of free countries. Nevertheless, they are *dependent* countries, says the author, since they do not enjoy *full* freedom (though development is obviously in that direction....)

separation is *spoken of* freely.
Agreement with Britain on legislation.

Use for comparing imperialism (economic) and political independence.

Things are *moving* towards free federation. Britain has granted parliamentarism, the author concludes, which she is now combining with "the organisation of a federal state" (p. 347). The South African parliament has authority to alter colony frontiers, unite several colonies *into one*.

"But only at the request of the colonies concerned" (339)....

In Australia, parliament can divide colonies into smaller units, can merge colonies—"but only with the consent of the population concerned, or of its parliament" (p. 335). N.B.

(there were plebiscites; the drafting of a constitution with the consent of all the colonies—by **agreement** with Britain....))

p. 330, a note, Mr. *Dibbs* (an Australian) spoke freely of *secession* from Britain and the formation of an independent Australian republic....

1900: "An Act to Constitute the Commonwealth of Australia" (July 9. 63 and 64. Victoria).

A simple, brief account of the development of federalism and political freedom in Canada, South Africa and Australia. Very interesting, and should be used against the idiocy of the "imperialist Economists"....[22]

NOTES FOR ARTICLES "*THE 'DISARMAMENT' SLOGAN*" *AND* "THE MILITARY PROGRAMME OF THE PROLETARIAN REVOLUTION"*

"Disarming is emasculation. Disarming is a reactionary-Christian jeremiad. Disarming is not a struggle *against* the imperialist reality, but a *flight* from it into the beautiful future *after* the victorious socialist revolution!!" (cf. Victor Fischer)....

"Militarisation of the nation", "an armed people", what a misfortune!—one hears this more and more frequently. But we say: militarisation of the nation, an armed people, drawing children and, if you like, women, into military training—*so much the better*, the speedier will the war be turned into a civil war, into an uprising. Help? No, we will not help the trusts.

Disarmament instead of arming the people.

* See present edition, Vol. 23, pp. 77-87 and 94-104.—*Ed.*

1. The voice of the small countries.
2. Against all war?
3. National war.
4. "Theses."
5. Civil war.
6. Socialist war.
7. The oppressed class?
8. Concession to opportunism?
9. No opportunism and Kautskyism here.
10. Militarisation of the nation.
11. Commune.
12. First, the fight against opportunism and Kautskyism.
13. Second, a concrete programme.
14. Third, practical "demands".
15. Two lines of policy in Switzerland.

To the question "Militia or disarmament?"

I. Disarmament *or* disarming of the people *or* something similar? (instead of a militia).

II. The oppressed class has not sought to study and master the art of war? (Engels in *Anti-Dühring*, on militarism on the way to destruction).[23]

III. Concession to opportunism, or the ease of slipping into opportunism?

Not here, not in this.

+attempts to avoid revolution	All democratic changes facilitate this. (The republic. Separation of the church from the state, etc.).... Exception (America)....
	General struggle, all along the line, against overt and masked opportunism (Kautskyism).
+imperialism in Switzerland (Nakhimson)	Press down on the enemy (opportunism) everywhere. Changes in programme. No to Swiss militia (especially after 1907).

IV. Practice. Formulas or revolutionary practice? Now, at this moment—propaganda of disarmament or disarming? Nonsense! Help the revolutionary struggle in neighbouring countries, turn the imperialist war into a civil war. 20,000 × 2 pfennigs = 20,000 francs per annum. Three newspapers, their delivery.

ON ZAK'S BOOK *GERMANS AND GERMAN CAPITAL IN RUSSIAN INDUSTRY*

Conrad's Jahrbücher für Nationalökonomie, etc., III series, Vol. 49 (1915, January), p. 351.

Small item (in "Miscellaneous") by Waldecker on a book in Russian, by **A. N. Zak**, *Germans and German Capital in Russian Industry* (St. Petersburg, 1914)—(Zak = director of the Central Bank of Mutual Credit Societies). ‖ Zak

Total Share Capital in Russia:

(million rubles)

		Russian		Foreign		Σ
(round figures)	1903—	41.7	+	16.8	=	58.5
	1904— —	92.5		26.7		119.2
	1905———	64.3		8.0		72.3
	1910———	190.5		33.7		224.2
	1912———	371.2		30.3		401.5

Number of Russian companies ... 1,237 capital = 410.3 ("operating" in Russia)

foreign ... 196

These companies have their head offices in:

Germany ——— 24	companies	Switzerland. . . . 6	
Sweden ——— 3	"	Italy. 1	
Britain ——— 33	"	Austria. 3	
Holland . . . 2	"	Turkey. 1	
Belgium . . . 70	"	U.S.A. 6	
France. . . . 48	"		

Branches of **Industry**

	German capital	Its profit
	(million rubles)	
1) Iron and steel	20 (1912)	5.5
2) Machine building	11.5	
3) Engineering	38.5	
4) Soda	½ of total capital	
5) Electrical	50	
6) Electrical engineering	57	
7) Gas	12.5 = 71.8% of total capital; +12.6% French + 7.4% Belgian + 8.2% Russian	
8) Petroleum (Deutsche Bank). . .	20	
9) Textiles.	(34-50% in Moscow Gubernia and Baltic provinces)	

Σ not given by the author

PAUL LOUIS, *OUTLINE OF IMPERIALISM*

Le Mercure de France, Vol. 50, April, Paris, 1904.
Paul Louis, *Outline of Imperialism*, p. 100 et seq.

"Imperialism is a general phenomenon of our age; more, a characteristic feature of the early twentieth century, and few nations have been able to avoid its influence.

"The world is passing through the era of imperialism, just as it has experienced the crises of liberalism, protectionism, colonialism,—just as it has experienced the collective effort of nationalities, just as in the last ten years it has witnessed the universal spread and increasing growth of socialism. All these elements, all these aspects of the life of mankind, are closely linked, and imperialism and socialism to a very large extent form the fundamental contradiction of our age. To show up this contradiction amounts practically to defining the essential principles of both" (100).

..."Imperialism is equally triumphant in Britain and the U.S.A., in Japan and the Russian Empire, in Germany, France and Italy" (100-01)....

"It [imperialism] emerges everywhere as capitalism's supreme effort to preserve its wealth, political domination, social authority. This involves territorial conquest, forcible or peaceful extension of possessions, closure of markets, creation of a closed empire" (101).

The wars of 1820-48 were bound up "with the formation of the great German and Italian nationalities" (102)....

..."Imperialism combines colonialism and protectionism" (105)....

"It [imperialism] should above all be studied in Great Britain, for there it has found its Promised Land" (106)....

But alongside Great Britain there has developed

(1) the competition of France, Germany, America and Japan;

(2) the struggle for colonial markets (of Europe and the colonial countries themselves);

(3) the merchant fleet of other countries.

"Imperialism arose from these three established facts" (107).

(Chamberlain's campaign. Imperial federation, etc.).

The same applies to the United states—Russia—Germany—Japan (109).

(Hence—the aggravation of nationalism, etc.)

"Nationalism, which merges with imperialism" ... carries the threat of war, etc. (112).

But these wars "will deal irreparable blows to the social institutions of participating countries" (113).

It will lead to the formation of gigantic empires—to growing discontent among the workers (113), the "mob" ... (113) (rising living costs, etc., etc.).

"The capitalist world regards imperialism, its last card, as the last refuge against the bankruptcy and spontaneous disintegration that threatens to engulf it with fatal certainty. But imperialism is also a remarkable, incomparable, artisan of revolution" (114).

(End of article)

HILL, *HISTORY OF DIPLOMACY IN THE INTERNATIONAL DEVELOPMENT OF EUROPE*

David Jayne *Hill* in his *History of Diplomacy in the International Development of Europe* (Vols. I-III, Vol. I, preface dated February 1, 1905)
promises to examine in future volumes:

"the Diplomacy of the Age of Absolutism, of the Revolutionary Era, of the Constitutional Movement, and of Commercial Imperialism, thus bringing the history of international development down to the present time."* (p. x). N.B.

MORRIS, *THE HISTORY OF COLONISATION*

Henry C. *Morris*, *The History of Colonisation*, New York, 1900, *2 vols.*
A historical survey from the most ancient times until 1899.
Interesting statistical summaries.

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* See present edition, Vol. 22, p. 296.—*Ed.*

Modern Development of French Colonial Power (p. 419. I)

	1815-30	1860	1880	1890	1899
Asia	197	197	69,147	201,000	363,027
Africa	1,034	185,650	624,624	2,128,814	3,320,488
America	16,000	48,011	48,011	48,043	48,011
Oceania	—	8,000	8,565	9,135	9,220
(Area in sq. miles)	17,231	241,858	750,347	2,386,992	3,740,746
	1815-30	1860	1880	1890	1899
Asia	179,000	221,507	3,333,500	18,000,000	22,679,100
Africa	95,000	2,800,000	3,702,482	16,800,000	33,257,010
America	225,000	300,000	391,084	372,805	383,750
Oceania	—	50,000	93,831	72,300	82,000
Population)	499,000	3,371,507	7,520,897	35,245,105	56,401,860

Idem of British (II, 88)

	1815	1860	1880	1890-91	1899
Europe		1,163	127	119	119
Asia		875,797	963,384	1,827,228	1,827,579
Africa		129,976	278,446	341,858	367,928
America		954,170	3,359,243	3,768,818	3,952,572
Australasia		580,134	3,083,770	3,175,153	3,175,840
(Area in sq. miles)		2,541,240	7,684,970	9,113,176	9,324,038
Europe	340,000	386,557	175,186	191,417	204,421
Asia	124,200,000	137,279,105	256,148,625	288,436,340	291,586,688
Africa	243,500	835,650	2,717,816	4,963,062	4,931,780
America	1,599,850	4,226,744	6,016,077	6,708,042	7,260,169
Australasia	25,050	2,401,024	2,877,440	4,416,843	5,009,281
Population)	126,408,400	145,129,080	267,935,144	304,715,704	308,992,339

The author gives the following table, II, 318, taking the figures from *The Statesman's Year-Book for 1900.*

	No. of colonies	Area (sq. miles) Metropolis	Area (sq. miles) Colonies, etc.	Population Metropolis	Population Colonies, etc.
United Kingdom	50	120,979	11,605,238	40,559,954	345,222,339
France	33	204,092	3,740,756	38,517,975	56,401,860
Germany	13	208,830	1,027,120	52,279,901	14,687,000
Netherlands	3	12,648	782,862	5,074,632	35,115,711
Portugal	9	36,038	801,100	5,049,729	9,148,707
Spain	3	197,670	243,877	17,565,632	136,000
Italy	2	110,646	188,500	31,856,675	850,000
Austria-Hungary	2	241,032	23,570	41,244,811	1,568,092
Denmark	3	15,289	86,634	2,185,335	114,229
(×) Russia	3	8,660,395	255,550	128,932,173	15,684,000
Turkey	4	1,111,741	465,000	23,834,500	14,956,236
China	5	1,336,841	2,881,560	386,000,000	16,680,000
U.S.A.	6	3,557,000	172,091	77,000,000	10,544,617
Total	136	15,813,201	22,273,858	850,103,317*	521,108,791

(×) In *Austria—Bosnia* and *Herzegovi-*

* So given by Morris.—*Ed.*

n a.—In Turkey—*Egypt*, *Bulgaria* (and Rumelia) and *Samos*. In China—*Manchuria*, *Mongolia*, *Tibet*, "*Jungaria*" and *Eastern Turkestan*.—In Russia—Bukhara 92,000 sq. miles, Khiva 22,300 sq. miles: ? + ? Port Arthur, etc.??

Not clear from the text (pp. 291-92), the references are mostly to *The Statesman's Year-Book*.

My calculations*

	Great Britain		France		Germany		All three ΣΣ	
	Area (mill. sq. miles)	Population (mill.)						
1815–30	?	126	0.01	0.5				
1860	2.5	145.1	0.2	3.4	—	—	2.7	148.5
1880	7.7	267.9	0.7	7.5	—	—	8.4	275.4
1890	9.1	304.7	2.4	35.2	1.0	14.5	12.5	354.4
1899	9.3	309.0	3.7	56.4	1.0	14.7	14.0	380.1
Maximum (1890 to be deleted)	1860-80		1880-90		1880-90		1860-80	

Growth of *F r e n c h* colonies (from *The Statesman's Year-Book* for 1900), I, 420.

	Year of acquisition	Area, sq. miles	Population
Asia			
India	1679	197	279,100
Annam	1884	88,780	5,000,000
Cambodia	1862	40,530	1,500,000
Cochin-China	1861	23,160	2,400,000
Tonking (+Laos)	1884-93	210,370	13,500,000
	Total	363,027**	22,679,100
Africa			
Algeria	1830	184,474	4,430,000
Algerian Sahara		123,500	50,000
Tunisia	1881	50,840	1,500,000
Sahara Region		1,684,000	2,500,000
Senegal	1637	120,000	2,000,000

* See present edition, Vol. 22, p. 255.—*Ed*.
** So given by Morris.—*Ed*.

Senegal	1637	120,000	2,000,000
Sudan	1880	300,000	2,500,000
Ivory Coast, etc.	1843	100,000	2,500,000
Dahomey	1893	50,000	1,000,000
Congo and Gabon	1884	425,000	12,000,000
French Guinea	1843	48,000	1,000,000
Obok & Somali Coast	1864	5,000	22,000
Réunion	1649	970	173,200
Comoro Isles	1886	620	53,000
Mayotte	1843	140	11,640
Nossi-Be	1841	130	9,500
Sainte-Marie	1643	64	7,670
Madagascar	1896	227,750	3,500,000
		3,320,488*	33,257,010
America			
Guiana	1626	46,850	22,710
Guadeloupe & Dependencies	1634	688	167,100
Martinique	1635	380	187,690
St. Pierre & Miquelon	1635	93	6,250
		48,011	383,750
Oceania			
New Caledonia & Depen-	1854	7,700	53,000
dencies			
Other French establish-	1841-81	1,520	29,000
ments-			
		9,220	82,000
		ΣΣ=3,740,756*	56,401,860

German Colonies, II. 304

		Area, sq. miles	Population
Oceania			
Kaiser Wilhelm's Land	1885-86	70,000	110,000
Bismarck Archipelago	1885	20,000	188,000
Solomon Islands	1886	4,200	45,000
Marshall ”	1886	150	13,000
Caroline ”	1899	560	40,000
Marianne ”	1899	250	2,000
Samoan ”			
Savali	1899	660	12,500
Upolu	1899	340	16,600
		96,160	427,100

* So given by Morris.—*Ed.*

China			
Kiao-chow	1897	200	60,000
Africa			
Togoland	1884	33,000	2,500,000
Cameroons	1884	191,130	3,500,000
German Southwest Africa	1884-90	322,450	200,000
German East Africa	1885-90	384,180	8,000,000
		930,760	14,200,000
		ΣΣ=1,027,120	14,687,100

My calculations:		Ergo:			
(1880–90)	94,350	356,000	1860—	0	— 0
	930,760	14,200,000	1880—	0	— 0
	1,025,110	14,556,000	1890—	1,025,110	14,556,000
(1890–99)	1,810	71,100			
	200	60,000			
	2,010	131,000			
	1,027,120	14,687,100	1899—	1,027,120	14,687,100

British Colonies, II. 88

		Area, sq. miles	Population
India			
British India	1601-1856	1,068,314	221,172,952
Feudatory States		731,944	66,050,479
		1,800,258	287,223,431
Europe			
Gibraltar	1704	2	24,093
Malta & Gozo	1800	117	180,328
Asia			
Aden & Perim	1839	80	41,910
Ceylon	1795	25,333	3,448,752
Hong Kong	1842	406	354,400
Labuan	1846	30	5,853
Straits Settlements	1819	1,471	512,342
Africa			
Ascension	1815	35	430
Basutoland	1868-83	10,293	250,000
Cape Colony	1806	276,775	1,787,960

Mauritius	1810	705	337,856
Natal & Zululand	1824	35,019	902,365
St. Helena	1651	47	4,545
West Africa			
Gambia	1631	69	14,300
Gold Coast	1661	40,000	1,473,882
Lagos	1787	985	85,607
Sierra Leone	1789	4,000	74,835
America			
Bermudas	1609	20	16,291
Canada	1763	3,653,946	5,185,990
Falkland Islands & St. George	1833	7,500	2,050
British Guiana	1803	109,000	286,222
" Honduras	1670	7,562	34,747
Newfoundland & Labrador	1497	162,200	202,040
West Indies			
Bahamas	1629	4,466	53,256
Jamaica & Turks Islands	1655	4,359	733,118
Barbados	1605	166	190,000
Leeward Islands	17th century	701	127,800
Windward "	" "	784	155,000
Trinidad & Tobago	1763-97	1,868	273,655
Australasia			
Fiji	1874	7,740	121,738
New Guinea	1884	90,540	350,000
New South Wales	1788	310,700	1,357,050
New Zealand	1840	104,470	796,387
Queensland	1859	668,500	498,523
South Australia	1836	903,690	362,897
Tasmania	1803	29,390	171,340
West Australia	1829	975,920	168,490
Total colonies		7,523,780*	21,768,908*
Total India plus colonies		9,324,038	308,992,339

{The "history" itself, it seems, is a dry enumeration of facts.}

* So given by Morris. Under the heading "Australasia", Lenin has omitted the data on Victoria: area 87,890 sq. miles and population 1,176,854.—*Ed.*

NOTEBOOK "δ"
("DELTA")

Contents

STEFFEN, *WORLD WAR AND IMPERIALISM*

Gustaf F. Steffen, *World War and Imperialism. Socio-Psychological Documents and Observations of the World War 1914-15*, Jena, 1915. (Translated from the Swedish.)

(p. 3): "Imperialism is as old as the history of the world"....

"In its most general features, *imperialism* is an endeavour to build a great world state by conquest or colonisation or the peaceful political

union of already existing states, or by a combination of these methods; to build a world power which embraces the whole of mankind or which divides mankind between itself and some other world states" (4).... The concept of "the whole world" depends on the given people's "knowledge" of the earth, etc. "Imperialism is a purely psychical factor" (4).

!!? ha-ha!!

"Social fantasy is the mother of imperialism"- (5).

Imperialism has its history. "There is primitive imperialism and higher, more mature imperialism" (6).

Caesar,—Napoleon, etc., etc.

Present-day "*imperialism of partition*" (partition of the world) in contrast to ancient "mono-imperialism" (a single monarchy)—(p. 15)....

On p. *14* the author promises to examine the "*special*" features of "present-day" "European imperialism"....

The world is divided among ten empires ... (p. 15) and fifty other independent states....

1. Russia } with mono-imperialist "dreams of the future".... } "semi-European" states
2. Great Britain }

(their characteristic feature being vast possessions *outside* Europe).

3. France—likewise of "somewhat lower imperialist rank" (16)....

("empires with extra-European orientation").

4. Japan.
5. Turkey—a weak empire.
6. China—a "dormant empire" (17) ... "Chinese imperialism" will still have to be reckoned with in the future (17)....
7. Germany.

—the war centres on her "imperialist position and power"....

8. Austria-Hungary.
9. Italy ("an imperialist newcomer", 18)....
10. United States.

What part of the world is "imperialised"?

Σ of these ten empires = 96.66 million square kilometres = 66% of the world. South America = 18.6 million sq. kilometres = 13% of the world (p. 18).

The author gives (Hübner's) totals (sq. km. and population) of all these states. Σ = 96.662 million sq. km. and 1,399,689,000 population.

The whole world (145,918,000 sq. km.) (1,657,097,000 population).

The Entente (68,031,000 sq. km.) (777,060,000 population)
Germany
+ Austria
+ Turkey 5,921,000 " " 150,199,000 "

It is all clearly a matter of "psychical" (25) factors!!

…"The world is now almost completely 'divided up'. But world history teaches us that empires tend to divide up *each other* after they have more or less divided among themselves the 'no-master' areas in all parts of the globe" (37). — well said!

(a detailed paraphrase of *Seeley*….)

Present-day British and French imperialism—like that of Spain, Holland, Portugal, France and Great Britain in the 16th, 17th and 18th centuries—is "West-European imperialism based on overseas colonisation" (43).

Russia is different. Russia is more an Asiatic country. It is in the interest of *all* Europe to seal itself off from *Asia*. The Great Russians = a mixture with Asiatics; the frontier of Europe = the frontier of the Great Russians (p. 50). The alliance of France and Great Britain with Russia is an alliance *against* "the general vital interests of all Europe" (51). — Germanophile!!

Incidentally: p. 46, remarks that Sweden is "a former Great Power, dethroned by Russia herself". — "Swedish" imperialism

Nothing could be more legitimate than the foundation (1871) of the German Empire. Great Britain, France and Russia consider it their "right" to dismember and enfeeble Germany!! (56). — *favours* German imperialism

imperialism = a law of history!

"Imperialism is a universal [sic!] political stage of development, through which every [!!] great people with large internal forces and a momentous mission must pass" (56-57).

Percentage and per capita expenditure on the army and navy is *less* in Germany than in France and Great Britain (58). The "*legend*" (59) of Germany's excessive "militarisation"!

"This cause [of the 1914-15 world catastrophe], it seems to me, lies in the relative weakness rather than the relative strength of Germany" (60).... From the standpoint of Russia + Great Britain + France, a "preventive war" *was* **necessary**"....

"True, modern economic imperialism and imperialist expansion are possible to a certain extent even without the direct *acquisition of territories* in other parts of the world, which we call 'colonisation'. Capital, traders and entrepreneurs are dispatched, railways and canals are constructed, huge regions in all parts of the world are made accessible to modern capitalist development, and in this way, spheres of economic influence, or spheres of domination, in other parts of the world are acquired without direct seizure of territory or political conquest.

aha!

"Undoubtedly, *German* imperialism has hitherto, employed, to a considerable extent, these *more peaceful* methods of expansion. This could be, but might not be, merely preparation for colonial acquisitions in the previous sense" (62).

It has been aimed chiefly at Asia Minor and Mesopotamia—areas *not* belonging to the British Empire.

Great Britain seeks to deprive Germany of just *that* development which she herself extensively enjoys + France + Russia (62-63).

"The world war of 1914-15 is therefore really a world war—a war to give the new German Empire a share in ruling the world, a war in which the leading role is played by the mistress of the world, Great Britain, while the two next most powerful world powers—Russia and France—are interested participants" (63).

Great Britain + France + Russia = 46% of the earth and 43% of its population; + the U.S.A. + Germany = 55% and 53% (p. 68)…. "In other words, the world is actually divided between some few states" (69)....

Seeley—1883 (*The Expansion*...)....

Charles Dilke—1890 (*Problems of Greater Britain*).

There should be three empires: Great Britain + the United States + Russia.

France and Germany = "*pygmies*" (!!) (p. 71).

James Anthony Froude—1885 (*Oceania or England and Her Colonies*).

The Empire and the Century, 1905 (a symposium of 50 authors).

The following is from the introductory article by W. F. Monnypenny "The Imperial Ideal":

Today the words 'Empire' and 'Imperialism' fill the place in everyday speech that was once filled by 'Nation' and 'Nationality'... the national ideal has given place to the Imperial" (72)....

Imperialism (Rome!) is older than "nationalism" (72-73). But "*modern*" imperialism is based "to a very large extent" on *nationalism* (73)....

J. A. Cramb, *Germany and England*, 1913.... ("Germany is our worst enemy"....) *For* a standing army.... "All England's wars for the past five hundred years have been fought for *empire*". (79).... Alliance with Russia is "unnatural" (80)....

"Bluntly stated, what it amounts to is that, in her general development, Germany is now vastly superior to France, Russia and Japan, and she *alone* can in the future present a real threat to Britain's world domination, and especially to her command of the seas. Hence an agreement between Britain and the three Great Powers mentioned was incomparably easier than one with Germany" (85). true!

Endless prattle—quotations from Trubetskoi—the German Chancellor is more moral than Lloyd George, etc., etc. *Chauvinist blather*! Pithy quotations from George Bernard *Shaw* on British hypocrisy (120-23), etc. But *Shaw*, he says, |||

!!! has written a host of articles [inter alia in *The New Statesman*] on the need to "smash up" Germany (p. 128).

One of the causes is failure to "*understand*" one another (136);—*education* in a spirit of "national prejudices" (137). — — — Peace requires the shedding of national "independence" (138) (= the right to make war), etc., etc.

Quotations from Bernhardi ... he accuses his nation of lacking bellicosity (!!) ... and from Rohrbach (he, *too*, is "moderate"! (p. 150), Rohrbach's "humane (!!!) guiding impulses"). — — What a banal type, this *Steffen*!...

! German imperialism is "defensive rather than aggressive" (157).

ha-ha!! Germany is waging a "*defensive*" war (158)—it is "ludicrous" to think that she would have chosen for an attack "such a wildly unfavourable situation as the present one", etc., etc. German imperialism is "profoundly cultural, socially constructive", etc. (163).

This book, which promised something in the beginning, degenerates into the most vulgar Germanophile chauvinism! *N.B.*

The diplomatic documents are extremely confused—in *all* countries there were (some) diplomats *for* war,—the military, too, intervened (powerfully).... "The causes of the 1914-15 world war can be established only by studying world history" (180)....

And further, right to the end (p. 254), Germanophile quotations from well-known "books" ... Nil! Nil! Not worth the trouble reading this "Dreck"!

OPPENHEIMER, *BRITISH IMPERIALISM*

Dr. Felix Baron von **Oppenheimer**, *British Imperialism*, Vienna, 1905.

(a pamphlet of 64 pp. Nil, except the familiar talk about Chamberlain and "his" movement. Nil!)

HENGER, *FRENCH CAPITAL INVESTMENTS*

Hans *Henger*, *French Capital Investments in Securities*, Stuttgart, 1913 (*Munich Economic Studies*, No. 125). Contains very little. Repeats *Neymarck*'s figures on total value of securities.

815,000 million; without duplications, 600,000 million francs, of which 106,000-110,000 million in France.

The total amount of the 4 per cent coupon tax (the tax on interest and dividends) increased
from 70.4 million francs in 1891
to 102.5 " " " 1910 (p. 1).

The total amount of securities (in French ownership):
(according to Edmond Théry) 1891—77,100 million francs
1907—98,600 " "
(according to the author) 1891-95—79,000 " "
1906-10—110,400 " "

Annual investment in joint-stock companies
France . . . 566.2 million francs
Germany . . . 1,080.5 " "

French economic progress:

	1890	1909	
Wheat harvest	117 mill. *hectolitres*	126	
Oat "	94 " "	117	
Iron output	3.5 mill. tons	16.6	(1911)
Merchant shipping	0.9 " "	1.4	(1909)
Steam engines in industry	55,967 (1891)	81,335	
In h.p. units	916,000	2,759,350	
Wealth of France (according to inheritance tax)	243,000 mill. francs (1892)	287,000	(1908)
Coal consumption	28.96 mill. *tons* (1885)	56.4	(1911)
(in Germany)	67.1	205.7	(1908))

French special (foreign) trade

	1891-93	1908-10	
	7,692 mill. francs	12,020	+56.2%
per head of population	200.4 francs	304.7	+52%
Figures for Germany:	7,117 mill. marks	15,197	+113.5%
per head of population	141.5 marks	238.6	+68.6%

{238.6 marks=294.5 francs. Less than in France!}

N.B. In the mining industry of France, the workers are, "in great part", foreigners: Poles, Italians and Spaniards.*

? "If the French produce less, if industry and trade in France do not develop as fast as in Germany, that, of course, is not an indication that France is in danger of becoming a rentier state" (78) ... the development (of industry and trade) is going ahead, though more slowly than in Germany.

N.B. He quotes: *Annuaire statistique de la France*, *1910* (economic and social indices).

KAUTSKY, 1914 AND 1915 (ON IMPERIALISM, WAR, AND SOCIAL-DEMOCRACY)

K. Kautsky, "Imperialism", *Die Neue Zeit*, 1914, 2 (32nd year), p. 908 et seq. No. 21 (September 11, 1914).

((A note to the article says it was written before the war, for the Congress, and has been slightly altered.))

It is not uncommon now to "identify with imperialism all the phenomena of present-day capitalism—cartels, protection, the domination of the financiers, and colonial policy" (908).

In that case we have "the flattest tautology", in that case "imperialism is naturally a vital ? necessity for capitalism"** (908).

The term, he says, must be taken "not in this generalised sense, but in its historical determination" (909), as in *Britain*, i.e., "as a special kind of political strivings". "The British ? understand" (909) by imperialism the striving, on the Hobson! one hand, to unite all parts of the empire with the metropolis, and, on the other, to extend the empire....

"Imperialism is a product of highly developed industrial capitalism. It consists in the striving

* See present edition, Vol. 22, p. 283.—*Ed.*
** Ibid., pp. 267-68.—*Ed.*

every industrial capitalist nation to bring under its control or to annex ever bigger areas of *agrarian* [Kautsky's italics] territory, irrespective of what nations inhabit them"* (909).... | no good at all

Further, he discusses the "production proportion" (heading of §1) between agriculture and industry, between means of production and means of consumption.

§2: "Simple commodity production" (blather, old stuff).

§3: "Capitalist production": capitalist industry requires that "the agricultural area serving it as supplier and purchaser" should "constantly expand" ((slipshod!)).

§4: "Accumulation and imperialism."

The contradiction between industry and agriculture finds dual expression (917):

(1) over-production (in industry)....

(2) high costs (of raw materials and staple products)....

Imperialism was preceded by the "form" (striving for expansion) of free trade: "half-a-century ago it, too, was considered the last word in capitalism, as imperialism is today" (917)....

Free trade helped develop other countries (the United States + Europe); their protectionist policy: in place of the division of labour between British industry and the agriculture of all other countries, "they" (the other countries) "divided up the still free agrarian regions of the world among the big industrial countries, because these regions were incapable of resistance. Britain reacted to this. That was the beginning of imperialism. |||| N.B.

"It was especially assisted by the system, which arose simultaneously with it, of export of capital to the agrarian regions" (918).... ||| ?

Railways in the new countries—the development of trade—their protection by the state—the striving for annexations (+ preventing the development of industry in them)....

"These are the most important roots of imperialism which replaced free trade"....

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* Ibid., p. 268.—*Ed.*

"Does it constitute the last possible form of capitalist world policy, or is some other form still possible?"

One "aspect of imperialism", that is "a vital necessity for capitalism", viz.: domination over and subjugation of agricultural regions, the construction of railways, can be overcome "*only* through socialism" (920)....

There is, however, *another* aspect of imperialism: the struggle waged by states, armaments, war, the resistance of India, Islam and Eastern Asia, the resistance of the proletariat—all this impels "the capitalists of all countries to unite" (920)....

ultra-imperialism*

ha-ha

"From the purely economic point of view, therefore, it is not impossible that capitalism will yet go through a new phase, that of the *extension of the policy of the cartels to foreign policy, the phase of ultra-imperialism*, against which, of course, we would have to fight as vigorously as against imperialism, although it will bring dangers in another direction, not in that of an armaments race and threats to world peace" (921)....

!!

ha-ha!

This was written before the war. Austria's conflict with Serbia "did not arise exclusively from imperialist tendencies" (922)—it has "just as much (ebenso) a nationalist" "as an imperialist root" (922). True, he says, there are "contradictions", which imperialism created "between the other Great Powers". Armaments might be increased and peace (after this war) will be only a truce.

"From the purely economic point of view, nothing any longer prevents this huge discharge of tension from finally resulting in the abolition of imperialism through a holy alliance of the imperialists" (922).... The more prolonged the war and the exhaustion ..., the *nearer* we shall be to this solution....

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* See present edition, Vol. 22, p. 271.—*Ed.*

Ibidem, p. *9 8 1*—in the article on "Effects of the War" —internationalism "does not exclude" "national feeling" and defence of the fatherland, but requires their recognition "for each nation"; "in this sense" (sic!) the *G e r m a n s* and *F r e n c h* voted the war credits.

p. *975*—ibidem—"our comrades" voted the war credits both to defend the fatherland and "liberate Russia from tsarism" (!!)....

p. 974—"there should be an appeal to the statesmen of the victorious countries to exercise moderation" (thrice). ha-ha!

p. 846 (August 21, 1914)—an article "The War" (dated August 8, 1914)—ends with an appeal for "trust", *but not* for "criticism"—"discipline in the Party"....

"Two Articles for Re-study" (1915, 2) §d: "The concept of imperialism."

Opposing Cunow, he asserts that (Hilferding's) "conclusions" about *finance capital* have been "*unanimously* [K. Kautsky's italics] adopted by all socialist theoreticians"* (p. 107) (April 23, 1915).

Cunow *e q u a t e s* imperialism with "modern capitalism" (109).

Kautsky rejects this. In Britain in the 1890s (110), imperialism meant the striving for a great Britain (110), for empire, "a special kind of *imperial policy*" (110. K. Kautsky's italics)—colonies, protectionist policy.

"It ["this new policy"] was termed imperialism by everyone" (N.B.) (ibidem). ?

I was the "first" (he says) to study the "new imperialism" (*Die Neue Zeit*, 1897-98 (16, 1), "Old and New Colonial Policy") and to point to the export of capital, to the role of the financial top stratum. Hilferding in 1910 did not call this new phase of capitalism "imperialism" (110-11). "He [Hilferding], too, uses the term 'imperialism' to mean a special *kind of policy*, and not a 'phase of economy'. Imperialism for him [= Hilferding] is a policy preferred by finance capital" (111).... *N.B. Die Neue Zeit*, 1897-98, XVIth year, Vol. I evasion, arguing over words

* Ibid., p. 289.—*Ed.*

We must draw this distinction: imperialism is not a "phase of economy", but a special policy, like Manchesterism.[24] *We must distinguish between finance capital and imperialism*—"*its policy*" (111).

well, that's it!

"Imperialism is a special kind of capitalist policy, as was also Manchesterism, which it replaced. The latter, too, did not denote a definite 'phase of economy', *although it was necessarily connected with such a phase*" (111).*

Imperialism is the policy of the "economic phase" of finance capital!! Is that what you wanted? Petty-fogger and sophist, trickster,[25] twister—that's what you are! You evade the essence of the matter.

§ e) "the necessity of imperialism" (112 et seq.)

"That imperialism was inevitable and therefore necessary—no one will deny.... The debatable question is whether it is necessary in the future"... (113).

And, further, the passages quoted by me in *Kommunist*[26] (pp. **144-45** and others**)....

(ultra-imperialism is also possible ... etc. See *Kommunist*....)

Inter alia:

Kautsky: "Kiao-chow", *Die Neue Zeit* XVI, 2 (1898)—(No. 27, March 1898)—inter alia that the "policy of conquest" in China, etc.,

sic!!

"is not a progressive, but a reactionary policy, not a modern bourgeois policy, but part of a newly revived feudal-absolutist policy ... a reaction against Manchesterism.... Even from a more advanced bourgeois standpoint, it must be combated, just as we combat taxes on consumer goods, bonuses, narrow departmentalism, restrictions on freedom of movement", etc. (p. *25*)....

N.B.

* See present edition, Vol. 22, p. 267.—*Ed.*
** Ibid., Vol. 21, pp. 223-24.—*Ed.*

N.B. *Die Neue Zeit* XV, 1 (1897). *Lafargue*, "Economic Functions of the Stock Exchange".

N.B. 1915, 2 (33rd year), article on Gerhart *Güttler*'s book, *The British Labour Party* (Jena, 1914).

ISCHCHANIAN, *FOREIGN ELEMENTS IN THE RUSSIAN NATIONAL ECONOMY*

Dr. of Philosophy *B. Ischchanian*, *Foreign Elements In the Russian National Economy. Foreigners in Russia—Their History, Distribution, Classification by Occupation, Interests and Economic and Cultural Importance*, Berlin, **1913** (Siemenroth). 7 *marks*.

Reviewed by Alexinsky in *Die Neue Zeit*, 1913-14, 32, 1, p. 435 et seq.

N.B. The following table is from Ischchanian (p. 438):

		Million francs	In general abroad (million)	In Russia (million)	Percentage of last column
N.B. Capital abroad	France has	40,000	40,000 francs	14,000 francs (×)	27.5
	Belgium "	—	2,715 "	634 "	23.4
	Germany "	32,500	26,000 marks	4,000 marks	15.38
	Britain "	78,700	63,000 "	775 "	1.20
	Other countries have	—	—	500 "	—
		151.2 (my total)			

United States?? 10,000?? minimum = 160,000 mill. francs

> 44,500 mill. marks
(×) 14,582 mill. marks, of which 83.76% in state loans....

(×) My calculation:
14,634 fr. × 8 = 11,707 marks
+ 5,275 = 16,982 marks and not 14,582??

PANNEKOEK, "STATE EXPENDITURE AND IMPERIALISM"

Ant. Pannekoek, "State Expenditure and Imperialism" (*Die Neue Zeit*, 1913-14, 32, 1, No. 4, October 24, 1913, p. 110 et seq.).

(×) "In my opinion, the contradiction between principled and reformist tactics is that the latter is *too strongly* determined by *immediate interests*, by easily attainable and apparent results, and *sacrifices to them the inner strength of the proletariat*. Principled, Marxist tactics aim primarily at increasing the power of the proletariat, thereby securing the highest positive results; for these results, being concessions made by the ruling classes, depend primarily on the power of the proletariat" (p. 111).

? ||

And **before** the above passage:

(**) not the right word; not so true! ||

"The essence of the socialist class struggle is inseparable unity of the struggle *for socialism* (**) and representation of all the immediate interests of the proletariat. Only the Party's fight for the current interests of the working class makes it the party of the proletariat, the party of the masses, and enables it to win victory" (×).

N.B. Pannekoek's formulation of the question of reformism is *wrong*.

N.B. ||

Pannekoek has here *posed* a question of prime importance, but has answered it badly—or, at least, inaccurately. "The unity of the struggle for socialism *and for* reforms" or "and for the immediate interests of the workers"? But what is the struggle for socialism? In Pannekoek's formula, the distinction between the Left and the "Centre" is *blurred*, wiped out, has disappeared. Even Kautsky (who, incidentally, made no rejoinder to this article of Pannekoek's) would subscribe to Pannekoek's formula (the one given here). This formula is wrong.

The *struggle for socialism* lies in the *unity* of the struggle for the immediate interests of the workers (including reforms) and the revolutionary *struggle* for power, for expropriation of the bourgeoisie, for the overthrow of the bourgeois government and the bourgeoisie.

What have to be combined are *not* the struggle for reforms + phrases about socialism, the struggle "for socialism", *but two forms* of struggle.

For example:

1. Voting for reforms + revolutionary action by the masses....

2. Parliamentarism + demonstrations....

3. The demand for reforms + the (concrete) demand for revolution....

Economic struggle *together* with the unorganised, with the masses, and not only *on behalf of* the organised workers....

4. Literature for the advanced + free, mass literature for the more backward, for the unorganised, for the "lower masses"....

5. Legal literature + illegal....

{cf. same volume of *Die Neue Zeit*, p. 591, on "unskilled" workers in America}

NOTEBOOK "ε"
("EPSILON")

Contents

ε

CAPITAL INVESTED ABROAD*

Capital *abroad*	Great Britain	France	Germany
1862	3.6	—	—
1872	15	10 (1869)	—
1882	22	15 (1880)	?
1893	42	20 (1890)	?
1902	(62)	37 Diouritch 27	Hilferding p. 492 12.5
1914	75—100	60	44

((Arndt)) Riesser see ε *1* (Neymarck)

* See present edition, Vol. 22, p. 242.—*Ed.*

FOREIGN CAPITAL INVESTMENTS: ARNDT

Weltwirtschaftliches Archiv (published by Bernhard Harms), Vol. 7, 1916, I.

"The Strength of French Capital", by Professor Dr. **Paul Arndt.**

The author refers to his article "New Data on Capital Investments Abroad" (in *Zeitschrift für Sozialwissenschaft*, *1915*, pp. 311 and 456) and he quotes from it figures on capital invested *abroad*: (p. 35)

	(Riesser, p. 395 and p. 404)
	000 million francs
British £3,000 million = 75,000 million francs	62 (1900 Speyer)
French 60,000 million francs = 60 " "	30 (1902 Dehn)
German 35,000 million marks = 44,000 million francs	31 (25,000 mill . marks)
((Σ = 179))	

France, one of the "economic Great Powers" (p. 37), holds fourth place after Britain, Germany and "North America".

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The Economist, April 17, 1915.

Article: "The End of the War."

"But the longer the war lasts, the more prone will the peoples, as distinct from the governments, be to cry out against the carnage which is desolating day by day and week by week so many thousands of homes. Thus we are brought back again to the problem of State versus Man', and to the question N.B. *how far the rulers of the highly organised bureaucratic state will be able to hold out against internal revolutionary forces*"....

ARGUMENTS OF THE SOCIAL-PATRIOTS

Arguments of the Social-Patriots

Upon *Sinclair*'s pamphlet, with *Blatchford*'s reply, sets out particularly clearly, frankly, accurately and vigorously the new (not Plekhanov's or Kautsky's, etc.) argument of the social-patriots:

Yes, the war is in the interests of the capitalists, etc., but we are *manifestly weak*, manifestly powerless to prevent

it. Talk of struggle against war, of "insurrection", etc., etc., is "piano opinion", hopeless "exaggeration" of our strength.

A variant of the "utopianism" argument, which was advanced also in Plekhanov's lecture.

From this point of view, the Basle resolution is a well-meaning attempt to frighten the governments, and not a resolute pledge to carry out revolutionary actions or revolutionary propaganda.

[This formulation, which reduces everything to a "preventive war", is extremely narrow—and was deliberately made so by Blatchford. The essential thing is to utilise the crisis *for* revolutionary propaganda and to prepare for revolutionary action.]

THE DAILY TELEGRAPH, NOVEMBER 17, 1914

The Daily Telegraph, November 17, 1914.

Parliament.

..."Mr. E. Jones (Merthyr Tydfil) asked if censorship could not be applied to the writings of Mr. Keir Hardie in his journal"....

Later, at the end of the sitting, the same speaker said: I told Keir Hardie I was going to talk about him, and it is not my fault if he is not present.

He read extracts from Keir Hardie's articles of October 31 and November 7, in which Keir Hardie accuses the British and French of atrocities, and sneers at the loyalty of the Indian troops. Keir Hardie said that the Kaiser was brave, soldier-like, whereas he sneered at "our fireside-loving King".

Can the government tolerate such speeches from a Member of Parliament? "As a result in Merthyr Tydfil we have had considerable difficulty in the past few weeks in recruiting, although it had been going on handsomely before Mr. Keir Hardie began his tactics."

Then Mr. *J. A. Pease* said: "May I just say, in one word, that so far as the Government are concerned, they believe all the suggestions made by Mr. K. Hardie and referred

to by Mr. Jones to be entirely without foundation, and that they ought to be treated with contempt."

(End of the sitting.)

POPULATION AND AREA OF THE BELLIGERENT- AND NON-BELLIGERENT COUNTRIES

(p. 29. *Deutsche Rundschau*. No. 10).

Population (million) 1910

Great Britain	421	Germany	78	
Russia	167	Austria	51	
France	86	Turkey	25	(approx.)
	674	(3 Great Powers)	154	
Japan	70			
(4 Great Powers)	744			
+ Serbia				
+ Belgium				

			Non-belligerents	
Belligerent group I	744	[750 versus 150]	China	431
" " II	154		U.S.A.	103
Belligerents	898		Italy	36
	+		(3 Great Powers)	570
Non-belligerents	570			
	1,468			

Total world population = 1,600

1912

	Square miles (million)				Non-belligerents	
Great Britain	10.8	Germany	1.2		China	2.9
Russia	10.2	Austria	0.2	(241,000)	U.S.A.	3.7
France	4.8	Turkey	0.7		Italy	0.7
	25.8		2.1			7.3
Japan	0.3	(260,000)				
	26.1					
Group I	26.1					
" II	2.1					
Belligerents	28.2					
Non-belligerents	7.3					
	35.5					

Whole world — 52.0 million sq. miles.

Герм. к-лы за границей:

	Кредитн. учрежд. (1904)	Фонды (1897–1906)
Африка	1.350	—(?)
(α) Азия (и) Турция	1.125	2.685,1
Австралия и Океания	400	—(?)
(β) Средн. Ам.	3.350	1.431,5
(γ) С. Шт. и Кан.	3.000	5.008,7
Σ =	9.225	

(α+β+γ) = (7.475) (9.125,3)

Иностранные [illegible] при банках [illegible] в колониях

Колонии:	Англия	Франция	Германия	Σ
Америка	37	4	10	51
Азия	11 } 29	1 } 8	4 } 7	16 } 44
Африка	10	7	2	19
Австралия	8	—	1	9
Европа	4	23	18	45
Итого	70	35	35	140

Колонии	Германия			Англ.	Фр.
37	Ам.	6,5	10	37	4
11	Аз.	2,6	4	11	1
4	Евр.	12,8	18	4	23
10	Афр.	–	2	10	7
8	Австр.	–	1	8	—
70		21,9	35	70	35
	[illegible]		2	1(??)	2
	[illegible]		1	1	5
	Балканы		9	6(??)	4
	Россия		5	1	10
	Австрия		2	0 (?)	2
	Итого Европа		18	4	23
	[illegible]		15	1(??)	16

(Hanns, s. 130) Ж.-д. сеть мира:

1868	106.885 km
1870	211.000
75	294.000
1899	617.285
1909	1.006.748

(ibid.) (km)

	1899	1909
Europa	223.869	323.691
America	313.417	513.824
Asien	33.729	92.436
Afrika	9.386	33.481
Australien	18.889	34.316
(всего) Σ =	599.285	1.006.748

Weltkabelnetz: (km)

(Hanns, s. 141)

	1898	1908
England	208.747	253.828
Nordamer.	50.545	92.818
Frankreich	26.157	43.115
Deutschland	5.186	30.167
Dänemark	13.888	17.111
Niederland	1.786	5.721
Japan	2.797	8.084
Spanien	3.237	3.565
Italien	1.368	1.389
[illegible]	3.233	7.724

(s. 193) Aussenhandel (Spezialhandel) [illegible] (Millionen Mark)

		1889 Ein-	1889 Aus-fuhr	1910 Ein-	1910 Aus-fuhr	Zunahme Ein-	Zunahme Aus-
1.	Europa	3230,9	2509,7	5756,9	5633,0	+68%	+124%
2	Afrika	52,0	22,3	418,0	181,3		
3	Asien	122,2	84,5	858,3	382,8		
4	Amer.	635,4	613,6	2.180,7	1.265,0		
5	Austr.	35,1	20,5	303,0	71,2		
2–5.	Σ =	832,3	741,5	3780,0	1.894,4	+345%	+147%

(s. 203) Der Generalhandel (einschliesslich Edelmetalle) [illegible]

	1870 Mill. M.	1870 pro Kopf	1882 Mill. M.	1882 pro Kopf	1901 Mill. M.	1901 pro Kopf	1910 Mill. M.	1910 pro Kopf
Вел. Брит. (+ Ирл.)	9180	312	12.658	355	14.377,0	360	20.507,1	453
Франция	4.540	124	7.326	195	6.705,3	171,9	10.212,5	260
Германия	4240	106	6.409	141	9.852,6	172,2	16.408,2	257
Россия	2000	27	2.140	30	2.726,8	26,1	5.047,5	40
Австро-Венг.	1660	47	3.015	75	3.007,3	65,7	4.450,4	88
Италия	1480	61	2000	70	2.474,4	76,1	4.170,4	123
Испания }	820	42	840 }	53	1.386,8	74	1.566,2	80
Португалия }			280 }		390,9	71,0	434,1	77
Голландия	1420	388	2.520	602	6.391,0	1229	9.446,7	1657
Бельгия	1280	252	3.380	421	3.239,4	476	6.137,4	841
Швейцар. конф.	840	115	1.080	131	1.407,2	190,2	1.891,5	242
С. Шт. Ам.	3420	98	6.150	120	9.526,5	122,5	13.578,7	150

Page 3 of Notebook “ζ” (“Zeta”)

THE ECONOMIST AND *THE DAILY TELEGRAPH* ON THE WAR

The Economist, January 9, 1915. *N.B.*

Article: "*The European Deadlock*"....

..."It is not surprising that under such, conditions [the "appalling conditions of modern warfare"] the soldiers should, in places where mud has made progress almost impracticable, conclude impromptu truces, such as are described by a correspondent in *The Times* of yesterday. These truces naturally occur only in the parts of the field where the trenches are close together, but they bring home to the imagination the cruel absurdities of the war, and suggest to some a hope that from the soldiers in the field there might come a protest against the indefinite prolongation of its horrors" (p. 46).... N.B.

Idem, p. 54: "Industrial profits"

Net profits (after payment of debenture interest, etc.)

Reports published in quarter ending:	Number of companies	(£ millions)		±	Total capital	% of profit on capital
		1913	1914	%	1914	
March 31	301	20.5	22.1	+8.4	230.1	9.6
July 31	263	22.6	23.6	+4.2	181.9	13.0
September 30	131	10.6	9.5	—9.5	107.8	8.8
December 31	214	15.3	14.5	—5.6	116.4	12.4
Σ	909	69.0	69.7	+0.9	636.0	10.9

"misfortunes" of the capitalists!!!

The Economist, December 19, 1914. "War Supplement", p. 10; Russia's expenditure on the army and navy:

1903	466 million rubles	%	
1904	491	+25	+5.3
1905	496	+ 5	+1.0
1906	504	+ 8	+1.6
1907	493	—11	—2.0
1908	612	+119	+24.1
1909	631	+19	+3.0
1910	648	+17	+2.7
1911	669	+21	+3.3
1912	809	+140	+20.9
1913	944	+135	+16.6

The Economist, December 19, 1914, p. 1059, article: "The War and Modern Business."

..."Until the bloodiest storm in history burst at the end of July, it was hardly possible to tell where Krupp began or Creusot ended. War loans were inextricably mingled with peace loans, and deadweight debt with full capital issues. Whether to destroy or to construct, whether to build canals or forts, ocean liners or battleships, the whole world of business and finance seemed to have centred itself in London, Paris and Berlin. The financial houses were almost of necessity Anglo-German, Anglo-French and Anglo-American; directorships were interlaced, branches of agents existed in nearly all the cities of the Old World and of the New. Monster companies and corporations welcomed shareholders of all nationalities, with very little regard for the diplomatic alliances.... It was a truism six months ago to say that nationality was no obstacle to business arrangements.... All this came to an end all of a sudden.... And yet the businessmen and the working classes are admittedly innocent. The guilt of war is everywhere traced to a few men—emperors, diplomatists, statesmen, militarists, or 'philosophers'.... Let us hope for a swift disillusionment, a return of common sense, a revival of religion, and a reawakening of the human conscience"....

The Economist, 1915, No. 3724 (Jan. 9, 1915)* (p. 51):

N.B. "The Cost of the War to Europe"

for six months

		£ millions							£ millions			
		Army (mill.)	Cost of war	Loss of production	Value of lost lives	Population 1913 (mil.)	Foreign trade	(per head)	National income 1913	(per head)	National wealth 1913	
Germany		4.35	395	830	294	68	1,063	(15.6)	2,100	(31)	16,000	(235)
Austria-Hungary		3.50	320	500	141	50	264	(5.3)	...		...	
	Σ	7.85	715	1,330	435	118	1,327	(11.2)	? 3,000	(25)	? 25,000	(212)
Russia		5.4	490	110	218	170	269	(1.6)	...		...	
France		4.0	365	600	232	40	583	(14.6)	1,250	(31)	13,000	(325)
United Kingdom		1.0	90	100	83	46	1,344	(29.3)	2,250	(49)	18,000	(390)
	Σ	10.4	945	810	533	256	2,196	(8.6)	? 5,000	(20)	? 40,000	(156)
	ΣΣ	18.25	1,660	2,140 (α)	968	374	3,523	(9.4)	? 8,000	(21)	? 65,000	(174)

* Ibidem, p. *46* —possibility of a *protest* of the soldiers when close together in the trenches.

	Alliance countries	Entente countries	Both sides	
Direct (war) costs for six months	725	990	1,715	(£ mill.)
Loss by cessation of production (Yves Guyot (α))	1,330	810	2,140	
Total costs for six months	2,055	1,800	3,855	
Normal national income for six months (say)	1,500	2,500	4,000	
Proportion of direct costs to national income	48%	40%	43%	
Ditto ... of total costs	137%	72%	96%	
National wealth	25,000	40,000	65,000	

(α) The Yves Guyot source is obviously not impartial!

Ibidem (January 2, 1915), p. 12:

"Disgust at the utter barbarism and ferocity of modern warfare is reported by all who have seen it. Everywhere people are beginning to ask how long human nature itself can endure the awful anguish of this indescribable war, how soon exhaustion and the approach of starvation will drive the peoples into revolt. Some of the German newspapers look for a revolution in Russia. They may have to count with one at home, for nothing is more likely than that the working classes of Germany will turn savagely upon the aggressive militarism which has been their bane."

N.B. This is from an article "The Realms of the Habsburgs", which says that in Russia the position of the population and nations is *worse* than in Austria.

January 9, 1915, p. 57: the Rumanians in Russia are worse off than in Austria....

Ibidem, p. 66: Russia's war expenditure (½ year) = *6,234* million rubles (*13* million *rubles* per day).
p. 72, a new book: *P. Vinogradoff*, *The Russian Problem* (1 shilling)?

The Daily Telegraph (No. 18631) Dec. 29, 1914.

The Independent Labour Party and the War.

"One of the resolutions on the final agenda for the annual conference of the Scottish Division of the Independent Labour Party to be held in Glasgow on Saturday, when Mr. Keir Hardie, M.P., is to address the delegates, asks that all members of the Independent Labour Party assisting the government in the present recruiting campaign be expelled. Another asks for an expression of regret that the National Labour Party did not call a conference at the outbreak of the war to determine the policy of the party."

BIBLIOGRAPHICAL NOTES AND SOURCE REFERENCES

The British Review, 1915, July, "How We Ought to Feel About the War", by *John Freeman*, pp. 87-88.... the "denationalised pamphlet" of Mr. *Barrett* (heading?) (from the "Workers' Freedom Group").

"One war, he proclaims, remains to be fought, war against the rich, the new reformation war"... p. 88. || N.B.

Recht und Wirtschaft, 1915, June.
"The German Trade Unions in the War", by Dr. W. *Troeltsch*.
(Eulogies!! Quotes from *Sozialistische Monatshefte*).

The split in Württemberg (Stuttgart). *Frankfurter Zeitung* No. 319, second morning edition, November 17.

Index of new books in the Winterthur *City Library*, 7th year, 1913-14 (has been appearing since *1907*).

In *fiction*

Lucien Descaves, *La saignée* (1870-71).
Nexö, *Pelle the Conqueror*.
A. Schnitzler, *Novellen*, 1914.

Literature on Switzerland:

Paul Berger, *After the Great Debacle*: *the Partition of Switzerland*, Lausanne, 1914.
Written before the war; predicts a German victory, says Switzerland is threatened by partition.
N.B. p. *31*, urges all-out struggle against "revolutionary socialism" in the army and schools.

A. Rüegg, *Experiences of a Waitress*, Zurich, 1914.
section III ("General Knowledge and Science Books"):
Theories of Origin, 1914.
(*Modern Culture*, III, IV.)
Aug. *Bernard*, *Morocco*, Paris, 1913.
E. Haeckel, *God-Nature*, Leipzig, 1914.
Rud. Kjellén, *The Great Powers of Today*, Leipzig, 1914.
A. Manes, *The Social Part of the World* (about Australasia), Berlin, 1914.
Rud. Martin, *German Rulers*, 1910.
Uhde, *Feuerbach*, Leipzig, 1914.
A. Zart, *Bricks of The Universe*: *Atoms*, *Molecules*, Stuttgart, 1913.
Taylor, *The Principles of Scientific Management*.

COAL AND IRON

Internationale Monatsschrift für Wissenschaft, Kunst und Technik (Leipzig), 1910, January (10th year, No. 4).
Hans Arlt, Dr., mining assessor in Munich. "Coal and Iron and Their Significance in the Present World War." Statistics of coal and iron *reserves* in the belligerent countries.
(Iron ore resources of the world)
(Coal " " " ")

(Geological congresses, Stockholm 1910 and Toronto *1913*).

In coal resources the order is:

1. United States
2. Canada
3. China
4. Germany

In iron:

1. United States
2. Newfoundland
3. Germany

Coal output in 1913:
Great Britain—287.4 million tons
Germany —278.9 " "
(Consumption: 250.3 Germany
233.8 Britain)

The important invention, by Thomas (1878), of the basic or Thomas method of obtaining iron did away with the Bessemer method.

The new method gave Germany a big lead, for it *frees* the ore from *phosphorus*, and German ore is *rich in phosphorus* (N.B.).

That is how Germany beat Great Britain. ‖ N.B.

The chemical industry produces coal tar (1 million tons in 1912 in Germany).

German-occupied French areas contain
about 70% of French coal resources
" 80% " " iron "

(Without America, France would have perished long ago.)

TRADE UNION LEADERS

Trade Union Leaders

The Daily Telegraph, *October 7*, *1915*.

"After hearing addresses by the Prime Minister and Earl Kitchener, and holding lengthy conferences on the subject of recruiting, the chosen leaders of Labour have issued a strongly-worded appeal for men, in which it is stated that 'if the voluntary principle is to be vindicated, at least 30,000 recruits per week must be raised'.

"Mr. C. W. *Bowerman*, M.P., Secretary of the Trades Union Congress Parliamentary Committee, handed a representative of *The Daily Telegraph* a copy of the appeal yesterday afternoon. It reads as follows:

The Crisis

An Appeal to Free Men

N.B. "Fellow countrymen.... At no time in the history of our nation has it been faced with a crisis of such gravity as the one which now exists.... Aggression [of Germany, etc... (the aim)]: secure such a victory as will free the world from the fear of that military tyranny which Germany would impose upon it...." An appeal to enlist in the army. For the sake of what?... "Not only because by so doing they will be defending their own interests, but also because their action will preserve the vital interests of the nation"....

"We know that defeat or an inconclusive peace would mean for us not only the loss of prestige as a nation and the certainty that the conflict would be renewed in a few years' time, but the loss of those personal liberties and privileges which have taken centuries of effort to win"....

N.B.
H. Gosling, C. W. Bowerman } Trade Union Congress Parliamentary Committee.
J. O'Grady, W. A. Appleton } General Federation of Trade Unions.
G. J. Wardle, W. S. Sanders } Labour Party Executive.

Ibidem, October 9, 1915 (Saturday). In addition to *mass* meetings (××) there is to be

N.B. "the conference that is to take place on Monday (October 11, 1915) between the Earl of Derby, the new Director of Recruiting, and the signatories to the important Labour manifesto, published on Thursday (October 7, 1915) last." "This conference, to which the Labour representatives have been invited by his lordship, will be held at No. 12, Downing Street"....

halls gratis (××)... "that halls have already been placed at the disposal of the Executive [= of the three signatory organisations], free of expense, for the purpose of holding the mass meetings"....))

Besides mass meetings, tours of propagandists, "workshop meetings", "dinner-hour gatherings", etc., are being organised.

...there will be made available "a copious amount of propagandist literature, mainly in the form of hand-bills, for distribution at the various meetings"... etc. | N.B.

Ibidem, October 15, 1915. A eulogistic review of *Ellis Powell*, *The Evolution of the Money Market* (10s. 6d.), London, 1915 (*Financial News*). | N.B. on finance capital

NOTEBOOK "ζ"
("ZETA")

Contents

ζ

HARMS, *WORLD ECONOMY*

Bernhard Harms, *Problems of World Economy*, Jena, 1912. "*National Economy and World Economy.*"

British capital invested abroad (1911) according to G. Paish ((*George Paish in the Journal of the Royal Statistical Society*, Vol. LXXIV, 1910-11, p. 167)) ("Great Britain's Capital Investments in the Colonies, etc."). (*B. Harms*, p. 228):

I. *British colonies* (£ *thousands*)

North America	Canada and Newfoundland	372,541
Australia	Commonwealth of Australia	301,521
	New Zealand	78,529
Africa	South	351,368
	West	29,498

Asia	India and Ceylon	365,399
	Straits Settlements	22,037
	Hong Kong	3,104
	British North Borneo	5,131
	Other British possessions	25,024
	Σ = British colonies	1,554,152

II. *Foreign countries*:

United States	688,078
Cuba	22,700
Philippines	8,202
Argentina	269,808
Mexico	87,334
Brazil	94,330
Chile	46,375
Uruguay	35,255
Peru	31,986
Other American countries	22,517
Russia	38,388
Turkey	18,320
Egypt	43,753
Spain	18,808
Italy	11,513
Portugal	8,134
France	7,071
Germany	6,061
Other European countries	36,319
Japan	53,705
China	26,809
Other foreign countries	61,907
Σ = foreign countries	1,637,684*
ΣΣ = Total	3,191,836

(In all, he says, £ 3½ thousand million)

Same, by continents (£ million)

		Per cent
America	1,700	= 53
Asia	500	16
Africa	455	14
Australia	387	12
Europe	150	5
	3,192	100%

* So given by Harms.—*Ed.*

Dr. Sigmund Schilder, Development Trends in the World Economy, Berlin, 1912—p. 150—refers to G. Paish, whose figures, he says, are minimised, for Paish takes issue prices (for *Latin* America *556* = £556 million, whereas London Stock Exchange quotations on May 31, 1909 Σ = £*767* million, including Argentina—£*281* million, Brazil—£140 million).—

The London *Economist*, August 26, 1911, estimates British capital in 10 South American republics (Argentina, Brazil, Uruguay, Chile, Peru, Bolivia, Colombia, Venezuela, Ecuador and Paraguay) at £*622* million, including Argentina—316, Brazil—162, Uruguay—42, Chile—41 (ibidem, p. *371*).

Foreign capital in *Canada* (1910)= *12,687* million francs, including British—9,765, U.S.—2,190, French—372. In *Mexico* (1886–1907)= *3,343* million francs, including U.S.—1,771, British—1,334 (p. 373).

Belgian capital abroad (Berlin *Export*, November 24, 1910) in million francs: Holland—70; France—137; Brazil—143; Italy—166; Egypt—219; Germany—244; Argentina—290; the Congo—322; Spain—337; Russia—441; other countries—338. Total—*2,750* million francs (p. 365).

French capital abroad

(ibidem, p. 235)	Thousand mill. francs
Russia	10.0
Great Britain	0.5
Belgium and Holland	0.5
Germany	0.5
Turkey, Serbia and Bulgaria	0.5
Rumania and Greece	4.0
Austria-Hungary	2.0
Italy	1.5
Switzerland	0.5
Spain and Portugal	3.5
Canada and United States	1.0
Egypt and Suez	4.0
Argentina, Brazil and Mexico	3.0
China and Japan	1.0
Tunisia and French colonies	3.0
	Σ = 35.5*

Total now estimated at 40,000-42,000 million.

* See present edition, Vol. 22, pp. 242-43.—*Ed.*

German capital abroad (1904) exclusive of securities (non-European areas) (million marks)

Turkey (without Egypt)	350
Africa (including Egypt)	1,350
Persian-Arabian Peninsula and India	75
South-East Asia	250
East Asia	450
Australia and Polynesia	400
Caribbean countries	1,200
West coast of South America	550
East " " " "	1,600
United States and Canada	3,000
	Σ=9,225

German capital abroad (securities) (1897-1906)

	also million marks
Argentina	92.1
Belgium	2.4
Bosnia	85.0
Brazil	77.6
Bulgaria	114.3
Chile	75.8
Denmark	595.4
China	356.6
Finland	46.1
Great Britain	7.6
Italy	141.9
Japan	1,290.4
Canada	152.9
Cuba	147.0
Luxemburg	32.0
Mexico	1,039.0
Netherlands	81.9
Norway	60.3
Austria	4,021.6
Portugal	700.7
Rumania	948.9
Russia	3,453.9
Serbia	152.0
Sweden	355.3
Switzerland	437.6
Spain	11.2
Turkey	978.1
Hungary	1,506.3
United States of America	4,945.8
(My total)	Σ=921,909.7

Author estimates total German capital abroad at *35,000 million* marks (p. 243).

{ The (1904) figure = 9,225 plus, he reckons, the same amount in Europe Σ = 18,000
Further, securities totalling about 17,000
Σ = 35,000* }

America	6,530.2
Asia (Turkey)	2,625.1
Africa	—
Australia	—
Europe	12,754.4
	Σ = 21,909.7

N.B. On the question of *German* capital investments abroad, *B. Harms* quotes (besides Sartorius): *Riesser, German Big Banks and Their Concentration*, 3rd edition, Jena, 1910.—*Paul Dehn, New Developments in World Economy*, Berlin, 1904.—*Paul Arndt*, "The Nature and Purpose of Capital Investment Abroad", *Zeitschrift für Sozialwissenschaft*, 1912, (No. 1–3).—

N.B. *Robert Liefmann, Holding and Financing* Companies, Jena, 1909.—

German capital abroad:

	Exclusive of securities (1904)	Securities (1897-1906)
Africa	1,350	—(?)
(α) Asia (including Turkey)	1,125	2,625.1
Australia and Polynesia	400	—(?)
(β) Central and South America	3,350	1,431.5
(γ) U.S.A. and Canada	3,000	5,098.7
	Σ = 9,225	
	(α+β+γ)=(7,475)	(9,155.3)

* See present edition, Vol. 22, p. 243.—*Ed.*

Foreign capital of the three richest European countries, *approximately**:

	(thousand million marks) Great Britain		France		Germany		Σ	
America	37		4		10		51	
Asia	11		1		4		16	
Africa	10	29	7	8	2	7	19	44
Australia	8		—		1		9	
Europe	4		23		18		45	
Total	70		35		35		140	

Approx. Great Britain		Germany		thousand mill. marks	
			Total approx. (*thousand mill.* marks)	Great Britain *approx.*	France *approx.*
37	America	6.5	10	37	4
11	Asia	2.6	4	11	1
4	Europe	12.8	18	4	23
10	Africa	—	2	10	7
8	Australia	—	1	8	—
70		21.9	35	70	35
Western Europe (Belgium, Switzerland, Scandinavian countries)			2	1 (??)	2
South Europe (Spain, Italy, Portugal)			1	1	5
Balkans			2	0.5 (??)	4
Russia			5	1	10
Austria			8	0.5 (??)	2
All Europe			18	4	23
Balkans + Russia + Austria			15	2 (??)	16

World *railways* (Harms, p. 138) (ibidem):

1868	106,886 km.
1870	211,000
1875	294,000
1899	617,285
1909	1,006,748

* Ibid., p. 243.—*Ed.*

	(km.) 1899	1909
Europe	223,869	329,691
America	313,417	513,824
Asia	33,724	99,436
Africa	9,386	33,481
Australia	18,889	30,316
(my) Σ=	599,285	1,006,748

World telegraph lines (km.) (Harms, p. 141):

	1899	1909
Great Britain	208,747	253,898
North America	50,545	92,818
France	26,157	43,115
Germany	6,186	30,167
Denmark	13,888	17,111
Netherlands	1,786	5,721
Japan	2,797	8,084
Spain	3,237	3,565
Italy	1,968	1,989
Miscellaneous countries	3,233	7,724

Foreign trade (special trade) of Germany (p. *198*)

(million marks)

	1899		1909		Increase	
	Import	Export	Import	Export	Import	Export
1. Europe	3,239.9	2,509.7	5,196.8	5,623.9	+60%	+124%
2. Africa	39.6	22.1	418.0	181.3		
3. Asia	128.2	84.3	828.3	332.3		
4. America	635.4	613.6	2,190.7	1,255.0		
5. Australasia	35.1	23.5	293.0	71.8		
2-5. Σ=	838.3	743.5	3,730.0	1,840.4	*+345%*	+147%
ΣΣ=	7,343.5	(1889)				

(p. 203) Special trade (including noble metals) of the most important countries

	1870		1882		1901		1910	
	million marks	(marks) per head	million marks	per head	million marks	per head	million marks	per head
Great Britain (+Ireland)	9,180	312	12,658	355	14,977.0	360	20,507.1	453
France	4,540	124	7,326	195	6,705.8	171.9	10,212.5	260
Germany	4,240	106	6,409	141	9,852.6	172.2	16,408.8	257
Russia	2,000	27	2,140	30	2,926.8	26.1	5,047.5	40
Austria-Hungary	1,660	47	3,015	75	3,007.3	65.7	4,450.4	88
Italy	1,480	61	2,000	70	2,474.4	76.1	4,170.4	123
Spain	820	42	840	53	1,386.8	74	1,566.2	80
Portugal			280		390.9	71.0	434.1	77
Holland	1,420	388	2,520	602	6,391.0	1,229	9,446.7	1,657
Belgium	1,280	252	3,380	421	3,239.4	476	6,137.9	841
Sweden-Norway	840	115	1,080	131	1,407.7	190.2	1,891.5	242
United States of America	3,420	98	6,150	120	9,526.5	122.5	13,578.7	150

SUPAN, *TERRITORIAL DEVELOPMENT OF EUROPEAN COLONIES* AND HÜBNER'S *GEOGRAPHICAL-STATISTICAL TABLES*

Professor Dr. Alexander *Supan*, *Territorial Development of European Colonies*, 1906 (pp. 256 and 257)*

Table 1. Colonial Possessions in 1876 and 1900 (by continents)**

	1876		1900		Increase (+) and Decrease (—)		From Otto Hübner's Statistical Tables (1914)	
	sq. km. (000)	population (000)	sq. km. (000)	population (000)	sq. km. (000)	population (000)	sq. km. (000)	population (000)
Asia	*22,772.9*	*291,495*	*25,012.7*	*390,636*	*+ 2,239.8*	*+ 99,141*	*25,297.1*	*422,658*
Great Britain	3,765.4	241,835	5,224.4	301,495	+ 1,459.0	+ 59,660	5,265.3	324,773
Netherlands	1,520.6	24,170	1,520.6	37,494	—	+ 13,324	1,520.6	37,717
France	160.0	2,683	664.2	18,073	+ 504.2	+ 15,390	803.5	17,272
Spain	296.3	6,000	—	—	— 296.3	— 6,000	—	—
Portugal	19.9	849	19.9	810	—	— 39	22.8	980
German Empire	—	—	0.5	84	+ 0.5	+ 84	0.5	192
Russia	17,010.7	15,958	17,286.8	25,045	+ 276.1	+ 9,087	17,388.1	33,164
United States (evidently Philippines)	—	—	296.3	7,635	+ 296.3	+ 7,635	296.3	8,460
Africa	*3,218.7*	*11,426*	*26,950.9*	*123,349*	*+23,732.2*	*+ 111,924*	*28,583.8*	*126,614*
Great Britain	706.9	2,331	9,201.2	53,097[2]	+ 8,494.3[2]	+ 50,766	9,675.7	52,069
Belgium, the Congo	—	—	2,382.8	19,000	+ 2,382.8	+ 19,000	2,365.0	15,003
France	700.0	2,875	10,211.2	31,518	+ 9,511.2	+ 28,643	9,660.3	37,750
Spain	9.8	319	220.3	673	+ 210.5	+ 354	560.5	589
Portugal	1,802.0	5,900	2,073.2	6,865	+ 271.2	+ 965	2,069.9	8,351
Italy	—	—	510.0	731	+ 510.0	+ 731	1,590.1	1,403
German Empire	—	—	2,352.2	11,465	+ 2,352.2	+ 11,465	2,662.3	11,449

Australia	*7,699.4*	*1,970*	*7,699.4*	*3,983*	—	*+ 2,013*	*(7,699.4)*	*(3,983)*
Great Britain	7,699.4	1,970	7,699.4	3,983	—	+ 2,013		
Polynesia	*711.9*	*934*	*1,238.9*	*2,440*	*+ 527.0*	*+ 1,506*		*7,760*
Great Britain	291.9	564	558.7	1,496	+ 266.8	+ 932	8,261.3	6,588
Netherlands	394.1	240	394.8	240	+ 0.7	—	394.8	240
France	23.3	93	24.2	88	+ 0.9	— 5	22.6	80
Spain	2.6	37	—	—	— 2.6	— 37	—	—
German Empire	—	—	243.8	449	+ 243.8	+ 449	245.1	641
United States[6]	—	—	17.4	167	+ 17.4	+ 167	17.4	211
America	*10,599.8*	*7,740*	*10,502.6*	*9,148*	*— 97.2*	*+ 1,408*	*9,184.1*	*10,731*
Great Britain	8,711.4	5,160	8,728.2	7,533	+ 16.8	+ 2,373	8,962.3	10,114
Netherlands	130.2	110	130.2	140	—	+ 30	130.2	140
France	82.0	346	82.0	428	—	+ 82	91.2	450
Spain	123.3	2,025	—	—	— 123.3	— 2,025	—	—
Denmark	0.4	38	0.4	31	—	— 7	0.4	27
Sweden	0.02	1	—	—	— 0.02	— 1	—	—
United States[6]	1,552.5	60	1,561.8	1,016	+ 9.3	+ 956	—	—
Arctic	*1,492.1*	*82*	*1,492.1*	*91*	—	*+ 9*		*15*
Great Britain[8]	1,301.1	1	1,301.1	1	—	—	1,374.0	2
Denmark[9]	191.0	81	191.0	90	—	+ 9	88.1	13
Antarctic	—	—	*3.5*	—	*+ 3.5*	—	—	—
France[10]	—	—	3.5	—	+ 3.5	—	—	—
Total	46,494.8	313,646	72,900.1	529,647	+ 26,405.3	+ 216,001	—	—

[2] With Egypt and the Sudan....

[6] Included among the colonies here are the Hawaiian Islands and Alaska, countries not bordering [on the main territory of the metropolitan country].

[8] The Arctic Archipelago of North America....

[9] Iceland and Greenland.

[10] (The islands St. Paul, New Amsterdam, Kerguelen)....

* See present edition, Vol. 22, p. 254.—*Ed.*

** The text of this table in the notebook was written by N. K. Krupskaya except in places set in heavy type.—*Ed.*

Table 2. Colonial Possessions in 1876 and 1900
(by continents)**

(From *Hübner's* tables) 1914

	1876		1900		Increase (+) and Decrease (—)				1914	
	sq. km. (000)	population (000)	sq. km. (000)		population (000)	sq. km. (000)		population (000)	sq. km. (000)	population (000)
Great Britain	*22,476.1*	*251,861*	*32,713.0*		*367,605*	*+10,236.9*	+	*115,744*	*33,538.6*	*393,546*
Asia	3,765.4	241,835	5,224.4		301,495	+ 1,459.0	+	59,660	5,265.3	324,773
Africa	706.9	2,331	9,201.2		53,097	+ 8,494.3	+	50,766	9,675.7	52,069
Australia	7,699.4	1,970	7,699.4	8,258.1	3,983	—	+	2,013	8,261.3	6,588
Polynesia	291.9	564	558.7		1,496	+ 266.8	+	932		
America	8,711.4	5,160	8,728.2		7,533	+ 16.8	+	2,373	8,962.3	10,114
Arctic	1,301.1	1	1,301.1		1	—		—	1,374.0	2
Netherlands	*2,044.9*	*24,520*	*2,045.6*		*37,874*	+ *0.7*	+	*13,354*	*2,045.6*	*38,097*
Asia	1,520.6	24,170	1,520.6		37,494	—	+	13,324	1,520.6	37,717
Polynesia	394.1	240	394.8		240	+ 0.7		—	394.8	240
America	130.2	110	130.2		140	—	+	30	130.2	140
Belgium—The Congo	—	—	*2,382.8*		*19,000*	+ *2,382.8*	+	*19,000*	*2,365.0*	*15,003*
Africa	—	—	2,382.8		19,000	+ 2,382.8	+	19,000	2,365.0	15,003
France	*965.3*	*5,997*	*10,985.1*		*50,107*	*+10,019.8*	+	*44,110*	*10,581*	*55,552*
Asia	160.0	2,683	664.2		18,073	+ 504.2	+	15,390	803.5	17,272
Africa	700.0	2,875	10,211.2		31,518	+ 9,511.2	+	28,643	9,660.3	37,750
Polynesia	23.3	93	24.2		88	+ 0.9	—	5	22.6	80
America	82.0	346	82.0		428	—	+	82	91.2	450
Antarctic	—	—	3.5		—	+ 3.5		—	(3.5)	—
Spain	*432.0*	*8,381*	*220.3*		*673*	— *211.7*	—	*7,708*	*560.5*	*589*
Asia	296.3	6,000	—		—	— 296.3	—	6,000	—	—
Africa	9.8	319	220.3		673	+ 210.5	+	354	560.5	589
Polynesia	2.6	37	—		—	— 2.6	—	37	—	—
America	123.3	2,025	—		—	— 123.3	—	2,025	—	—

Portugal	*1,821.9*	*6,749*	*2,093.1*	*7,675*	+	*271.2*	+ *926*	*2,092.7*	*9,331*
Asia	19.9	849	19.9	810		—	— 39	22.8	980
Africa	1,802.0	5,900	2,073.2	6,865	+	271.2	+ 965	2,069.9	8,351
Italy	—	—	*510.0*	*731*	+	*510.0*	+ *731*	*1,590.1*	*1,403*
Africa	—	—	510.0	731	+	510.0	+ 731	1,590.1	1,403
German Empire	—	—	*2,596.5*	*11,998*	+	*2,596.5*	+ *11,998*	*2,907.9*	*12,282*
Asia	—	—	0.5	84	+	0.5	+ 84	0.5	192
Africa	—	—	2,352.2	11,465	+	2,352.2	+ 11,465	2,662.3	11,449
Polynesia	—	—	243.8	449	+	243.8	+ 449	245.1	641
Denmark	*191.4*	*119*	*191.4*	*121*		—	+ *2*	*88.5*	*40*
America	0.4	38	0.4	31		—	— 7	0.4	27
Arctic	191.0	81	191.0	90		—	+ 9	88.1	13
Sweden	*0.02*	*1*	—	—	—	*0.02*	— *1*	*0.02*	—
America	0.02	1	—	—	—	0.02	— 1	(0.02)	—
Russia	*17,010.7*	*15,958*	*17,286.8*	*25,045*	+	*276.1*	+ *9,087*	*17,388.1*	*33,164*
Asia	17,010.7	15,958	17,286.8	25,045	+	276.1	+ 9,087	17,388.1	33,164
United States	*1,552.5*	*60*	*1,875.5*	*8,818*	+	*323.0*	+ *8,758*	*(1,875.5)*	*(9,687)*
Asia	—	—	296.3	7,635	+	296.3	+ 7,635	296.3	8,460
Polynesia	—	—	17.4	167	+	17.4	+ 167	17.4	211
America	1,552.5	60	1,561.8	1,016	+	9.3	+ 956	(1,561.8)	(1,016)
Total	46,494.8	313,646	72,900.1	529,647	+	26,405.3	+ 216,001	74,963.5	568,694

* The text of this table in the notebook was written by N. K. Krupskaya; words in heavy type were written by Lenin.—*Ed.*

A. Supan, p. 254:

"Percentage of territory belonging to the European colonial powers (including the United States)*

	1876	1900	Increase or Decrease
in Africa	10.8	90.4	+ 79.6
" Polynesia	56.8	98.9	+ 42.1
" Asia	51.5	56.6	+ 5.1
" Australia	100.0	100.0	—
" America [1])	27.5	27.2	— 0.3

"The characteristic feature of this period is, therefore, *the partition of Africa and Polynesia*"... (p. 254).

The plunder of the natives by the European countries is especially clearly revealed in the account of the *division* of ***Farther India*** (Siam with British "Burma" or Burmania from the West, and French Indo-China from the East)—in Supan, p. 299 et seq. The result (in rounded area figures) (000 sq. km.):

	1876	1900	
British Malacca	32	92	+ 60
British Burma	228	696	+ 468
French possessions	160	663	+ 503
Independent area.	1,665	634	— 1,031
Farther India, in the political sense	2,085	2,085	

"It should also be borne in mind that Siam is guaranteed only 239,000 sq. km."....

((*Hübner* (1914) shows Siam as having *600,000* sq. km.!! Not yet completely plundered!!))

Supan states: "There should be no doubt that this process [the division of *Farther India*] is not yet completed."

[1]) "Alaska is regarded here as a colony of the U.S.A."

* See present edition, Vol. 22, p. 254.—*Ed.*

Summarising the results of colonisation, Supan says that it has been carried out mainly in the last fifty years (1850–1900)—p. 306 et seq.—He distinguishes three types of colonies: 1) native (no whites or almost none. British India belongs in this category); 2) mixed (whites in a minority; a mixture); 3) migrational colonies (marked preponderance of whites).

He gives detailed figures for America (38,331,200 sq. km.; 144.2 million inhabitants, including 88.3 million whites); Africa (26,950,900 sq. km.; 123.3 million inhabitants); Asia (24,506,200 sq. km.; 390.6 million inhabitants); South Seas colonies (8,938,300 sq. km.; 6.4 million inhabitants). Supan sums up as follows (p. 313):

	sq. km. (million)	population (million)	density	number of whites
1) Native colonies	35.6	477.0	13	—
2) Mixed "	33.9	79.7	2.3	11.5 mill.
3) Migrational "	29.4	108.9	4	93.9
Colonised area	98.9	665.6	7	105.4

(In the *first* group is mainly India—with 365 million—in Asia, and 105 million in Africa.—In the *third* group are mainly North America—78.7 million, and Siberia and Central Asia—7.6 million).

N.B. Supan, *Population of the World*. No. X to XII. Supplementary issues to Petermann's *Reports*. Gotha, 1912. N.B.

What is imperialism?

"Great" Powers	Colonies 1876		Colonies 1914		Metropolis 1914		Total 1914	
	(million)							
	sq. km.	population	sq. km.	population	sq. km.	population	sq. km.	population
Great Britain	22.5	251.9	33.5	393.5	0.3	46.5	33.8	440.0
Russia	17.0	15.9	17.4	33.2	5.4	136.2	22.8	169.4
France	0.9	6.0	10.6	55.5	0.5	39.6	11.1	95.1
Germany	—	—	2.9	12.3	0.5	64.9	3.4	77.2
Japan	—	—	0.3	19.2	0.4	53.0	0.7	72.2
U.S.A.	—	—	0.3	9.7	9.4	97.0	9.7	106.7
Total for six "Great" Powers	40.4	273.8	65.0	523.4	16.5	437.2	81.5	960.6
Three countries, whose partition has been particularly vigorous (Turkey, China, Persia)							14.5	361.2
The whole globe (without Polar regions)							133	1,657
All colonies:	46.5	313.6	74.9	568.7				
Colonies *not* belonging to the Great Powers			9.9	45.3				

N.B. Russia $169 \times 0.57 = 96.33$ *N.B.*
96 million oppressed or without equal rights

	sq. km.	population (million)
All Europe	9.97	452.4
Great Britain + France + Russia + Germany	— 6.70	— 287.2
Other countries	3.27	165.2
All America	39.98	189.5
United States	— 9.40	— 97.0
All colonies	9.20	10.7
Other countries	21.38	81.8
All Asia	44.45	871.2
All colonies	— 25.3	— 422.5
Three semi-colonies (Turkey + China + Persia)	19.1 — 14.5	448.7 — 361.2
remainder =	4.6	87.5
All Africa	29.9	136.2
All colonies	— 28.6	— 126.6
remainder =	1.3	9.6
All Australia	8.9	7.8
All colonies = (+Polynesia?)	7.7	3.4(?)

	population (million)	
6 Great Powers	437.2	
All colonies	568.7	} 929.9
3 "booty" countries	361.2	}
	1,367.1	

300	privileged
150	oppressed
1,000	{colonies and booty}
1,450	
150	small states and candidates
1,600	

Approximately:

population (millions)
300— "Great Powers" and privileged oppressors and plunderers
300— dependent, unequal, plundered and small peoples
1,000— colonies and "booty"
1,600

China

Nationality of foreigners in the Treaty Ports

	1912	
	Firms	Individuals
Japanese	733	75,210
Russian	323	45,908
British	592	8,690
American	133	3,869
French	107	3,133
German	276	2,817
Portuguese	44	2,785
Italian	40	537
Austrian	17	328
Danish	11	279
Norwegian	8	250
Belgian	15	245
Spanish	6	224
Swedish	2	189
Dutch	13	157
Hungarian	3	27
Brazilian	1	9
Others	4	97
Total	2,328	144,754

	Metropolis		Colonies		*Total*		Colonies (million)			
	sq. km.	population (mill.)	sq. km.	population (mill.)	sq. km.	population (mill.)	*1876* sq. km.	*1876* population	*1914* sq. km.	*1914* population
(α) Russia (Europe+Asia)	5.4	136.2	16.9	33.2	22.3	169.4	17.0	15.9	17.4	33.2
(β) Great Britain	0.3	46.5	30.0	378.5	30.3	425.0	22.5	251.9	33.5	393.5
(α) France	0.5	39.6	10.6	55.5	11.1	95.1	0.9	6.0	10.6	55.5
(Σ) =	6.2	222.3	57.5	467.2	63.7	689.5				
[1]) Belgium	0.03	7.5	2.4	15.0	2.4	22.5				
Serbia	0.09	4.5	—	—	0.1	4.5				
(δ) Germany	0.5	64.9	2.9	12.3	3.4	77.2	—	—	2.9	12.3
Austria-Hungary	0.7	51.4	—	—	0.7	51.4				
Turkey	1.8	21.6	—	—	1.8	21.6				
	3.0	137.9	2.9	12.3	5.9	150.2				
(ε) Japan	0.4	53.0	0.3	19.2	0.7	72.2	—	—	0.3	19.2
China	11.1	329.6	—	—	11.1	329.6				
(ζ) U.S.A.	9.4	97.0	0.3	9.7	9.7	106.7	—	—	0.3	9.7
6 "Great" Powers (α-ζ)	16.5	437.2	61.0	508.4	77.5	945.6	40.4	273.8	65.0	523.4

[1]) *Belgium* 29,452 sq. km. and 7.5 mill. population+2,400,000 sq. km. of colonies with 15 mill. population. Σ = 2.4 mill. sq. km. and *22.5* mill. population.

Serbia 87,303 sq. km. and 4.5 mill. population.
Σ=0.1 mill. sq. km. and 4.5 mill. population.

Turkey	1.8	21.6
China	11.1	329.6
Σ=	12.9	351.2
Persia=	1.6	10.0
Σ=	14.5	361.2

Balkan states before and after 1912-13* war

	Total area (sq. km.)			Population (000)		
	Previous territory	Newly acquired	Present territory	Previous territory	Newly acquired	Present territory
Rumania	131,353	8,340	139,693	7,248	354	7,602
Bulgaria	96,345	17,660	114,005	4,337	429	4,766
Serbia	48,303	39,000	87,303	2,912	1,533	4,445
Montenegro	9,080	5,100	14,180	285	150	435
Albania	—	28,000	28,000	—	800	800
Greece	64,657	51,318	115,975	2,632	1,624	4,256
Crete	8,618	—149,755		344	—4,583	
Turkey	169,317		28,180	6,130		1,891
Balkan countries	527,673	—337 [1])	527,336	23,888	307	24,195

[1]) The difference is due to inaccurate measurement, Albania, in particular, being shown smaller than she is.

* The text of this table was written in the notebook by N. K. Krupskaya.—*Ed.*

The whole world	Population				Special trade (1912)	
	mill. sq. km.	mill.	%	per. sq. km.	Imports	Exports
					(mill. marks)	
Asia	44.45	871.2	52.6	19.6	9,278	10,162
Europe	9.97	452.4	27.3	45.4	56,655	44,224
Africa	29.89	136.2	8.2	4.5	3,149	3,584
America	39.98	189.5	11.4	4.7	15,738	18,286
Australia	8.96	7.8	0.5	0.9	2,199	2,269
Polar countries	12.67	0.01	0.0	—	—	—
Total	145.92	1,657.1	100.0	11.4	87,019	78,525

Otto Hübner's Geographical-Statistical Tables

1914 edition (63rd year)*

Great Britain	***Railways*** (km.)
(1912) Egypt	4,241
(1912) Egyptian Sudan	1,725
(1912) Malta	13
(1911-12) Cyprus	98
(1911-12) India	55,875
(1911) Ceylon	971
(1911) Straits Settlements	34
— —	16
(1912) Malay Protectorate	1,180
(1912) Hong Kong	15
(1912) North Borneo	211
(1912) Union of South Africa	12,626
(1910) Basutoland	26
(1912) Rhodesia	3,872
(1912) Nyasaland	182
(1912) East Africa	943
(1912) Zanzibar	10
(1912) Nigeria	1,467
(1912) Sierra Leone	365
(1912) Gold Coast	270
(1912) Mauritius	207
(1912) Newfoundland	1,238
(1912) Canada	47,150
(1912) Jamaica	313
(1912) Windward Isles	45
(1912) Trinidad	135
(1912) Honduras	40
(1912) Guiana	152
(1912-13) Commonwealth of Australia	30,141
(1912-13) New Zealand	4,588
	168,149

* The text of page 10 in the notebook (pp. 305-07 of this volume) was Written by N. K. Krupskaya; words in heavy type were written by Lenin.—*Ed.*

		(km.)
	France	
(1919)	Algeria	3,491
(1912)	Tunisia	1,656
(1913)	West Africa	2,400
(1913)	Somali Coast	130
(1913)	Madagascar	368
(1913)	Réunion	126
(1913)	India	30
(1912)	Indo-China	1,374
(1908)	Martinique	224
(1913)	Guiana	16
(1913)	New Caledonia	17
		9,832
(1912)	*Belgian Congo*	1,235
	Italy	
(1912)	Libya	87
(1912)	Eritrea	120
		207
	German Empire	
(1913)	East Africa	1,602
(1913)	Cameroon	443
(1913)	Togoland	327
(1913)	South-West Africa	2,104
		4,476
	Netherlands	
(1912)	East Indies	2,355
		2,683
	Other possessions	337
		5,375
	Russia	
(1913)	Caucasus Central Asia Siberia	17,036
(1911)	*Turkey*	6,660
	of which in	
	1. Europe	1,994
	2. Asia Minor	2,372
	3. Syria and Arabia	2,294
(1909)	Persia	54
	in use	12

	Total area (sq. km.)	Population	
Turkey, constitutional state since 1909	*1,794,980*	*21,600,000*	(1910)
Turkey in Europe	28,180	1,891,090	(1910)
Asia Minor	501,400	10,940,765	(1910)
Armenia and Kurdistan	186,500	2,357,436	(1900)
Syria and Mesopotamia	637,800	5,361,203	(1940)
Arabia	441,100	1,050,000	(1910)
China, republic since March 1912	*11,138,900*	*329,617,760*	
China proper	6,242,300	325,817,760	(1910)
Mongolia	2,787,600	1,800,000	
Tibet	2,109,000	2,000,000	
Japan, constitutional empire	*673,681*	*72,200,475*	
Japan proper	382,415	52,985,423	(1912)
Formosa	35,997	3,512,607	(1913)
Karafuto (Japanese Sakhalin)	34,069	42,612	(1913)
Kwantung	3,374	501,767	(1913)
Korea	217,826	15,164,066	(1913)

N.B. In thousand sq. km. **(total area)**
PERSIA is about 1,645 **(total population of Persia in 1907: 9½ million)**

Under 1907 agreement:
British sphere of influence is about 355
Russian " " " " " 790

MUTUAL ACCUSATIONS

Mutual Accusations

La Revue de Paris, March 1, 1915 (No. 5, 1915)
article by G. **Demorgny** "*Turkish-German Methods in Persia*" (with a map of the Russian and British spheres of influence in Persia).

An imperialist laments German successes. (Characteristic for a description of imperialism.) ||| N.B.

Incidentally (p. 217):

"On December 24 (1914) a bomb intended to wipe out the Russian, French, Belgian and British ministers exploded in Teheran, but the attempt failed ||| N.B.

and the bomb killed one of the participants in the plot organised by a German-Turkish gang"....

N.B. Author quotes his articles in the magazine *Revue du monde musulman*, 1913, Nos. 22 and 23 (March and June 1913) and his books: *Problems of the Danube*, Paris, 1911 (Larose et Tenin);

The Administration of Persia, Paris, 1913 (Leroux), and *Persian Financial Institutions*, Paris, 1915 (Leroux).

The *Sitchkan-il year* (March 21, 1912-March 20, 1913).

1. Russian trade with Persia = *628,857,900* ***krans*** (1 kran = 0.4545 franc).

Persian exports to Russia = 69 per cent of total Persian exports.

Persian imports from Russia 58 per cent of total Persian imports (p. 205).

2. Persian imports from Britain = 25 per cent of total Persian Imports.

Persian exports to Britain 13 per cent of total Persian exports.

3. Turkey.
4. German trade with Persia = 24,316,252 krans.
5. France.
6. Italy.

((Countries listed in the order of their trade with Persia: 1-6))

Preussische Jahrbücher, 1915, No. 3 (March), article by Hans Delbrück (p. 485):

N.B. "On behalf of his Government, the British Minister in Norway, Findley, tried to hire an assassin in order to do away with the Irishman Sir Roger Casement". (From Delbrück's counter-charges against Great Britain.)

"ENGINEERING WAR"

The Daily Telegraph, March 15, 1915. "Engineering War."

"*Oil in Warfare*. The All-Oil Battleship."

"The Chancellor of the Exchequer was right when he said: 'This is an engineers' war.' We are seeing the impress

of the engineer on every phase of the stupendous struggle now in progress throughout the world. No longer is engineering a side-line. It has become the principal feature of war, so much so 'that Eye-Witness' has seen fit to call the present 'the petrol war' in the course of his recent description of the part played by mechanical traction on the Continent. To call it 'the oil war' would probably be more accurate since this term would also include the Fleet, so far as many of its greatest and smallest craft—as represented by super-dreadnoughts and submarines—are concerned."

The Queen Elizabeth is one of the first "all-oil" vessels. Less cost. The chief thing is the speed in fuelling, etc., etc. A gigantic technical advance.

The transition to "internal-combustion-engined warships" is imminent. Commercial ships are already making the transition.

JUNIUS, *THE CRISIS OF SOCIAL-DEMOCRACY**

Junius, *The Crisis of Social-Democracy*. Supplement: "Theses on the Tasks of International Social-Democracy." Zurich, *1916*, *109* pp. (105-09, theses).

"Introduction" dated *January 2*, 1916: the pamphlet is stated to have been written in April 1915.

p. 6: "The capitulation of international Social-Democracy ... the most stupid thing would be to conceal it"....

p. 24: "Two lines of development ... lead ... to this war." 1) 1870, N.B., the *annexation* of Alsace and Lorraine, and 2) imperialist development in the last 25 years.

p. 28: Bülow's speech on December 11, 1899. A clear imperialist programme: the British have "Greater Britain", the French their "New France", the Russians—Asia, the Germans "Greater Germany". || N.B.

pp. 31-33: excellent account of the plunder of Turkish peasants in Asia Minor by German finance capital.

p. *42*: ..."The existence of only two countries—Belgium and Serbia—is at stake in the present war".

p. *43*: In Russia, imperialism is "not" so much "*economic expansion*" as "*the political interest of the state*".

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* See present edition, Vol. 22, pp. 305-20.—*Ed.*

p. *48*: The break-up of Austria was accelerated "by the emergence of independent national states in the immediate neighbourhood of the monarchy"....

..."The internal *un*-viability of Austria was shown"....

..."The Hapsburg monarchy is not the political organisation of a bourgeois state, but only the loose syndicate of cliques of social parasites" (49)....

..."An inevitable dilemma: either the Hapsburg monarchy or the capitalist development of the Balkan countries" (49)....

N.B. ..."Historically, the liquidation of Austria-Hungary is but the continuation of the disintegration of Turkey, but at the same time it is a requirement of the historical process of development" (49-50).

"German imperialism, chained to two decomposing corpses, steered straight into the world war" (50).

..."For ... an alleged attempt (at high treason) ... Duala Manga Bell of the Cameroons was hanged quietly, amidst the noise of war, without the troublesome procedure of a court trial.... The Reichstag group shrouded the body of Chief Duala in a discreet silence" (56).

p. *60*: two causes of the 1905 defeat:

? (1) its "huge" political programme; "some (of the problems), such as the agrarian question, are altogether insoluble within the framework of the present social order"....

(2) the aid of European reaction....

71: "The dangers to the 'free development of Germany' do not lie in Russia, as the Reichstag group thought, but in Germany herself"... (and, incidentally, the expression: "the Zabern policy", p. 71).

74: "Does not the socialist principle of the right of nations to self-determination imply that every people is entitled and bound to defend its freedom and independence?"... (75) "certainly, a people that surrenders to an external enemy is contemptible"....

75: A quotation from *The Civil War in France*: "The highest heroic effort of which old society is still capable is national war; and this is now proved to be a mere governmental humbug"....[27]

76: "In bourgeois society, therefore, invasion and class struggle are not opposites, as the official legend has it, but one is the means and expression of the other. And if for the ruling classes invasion represents a well-tried means against the class struggle, for the ascending classes the sharpest class struggle still proves to be the best means against invasion".... The history of the Italian towns in the *Middle Ages*, and especially *1793*.

77: The same applies to self-determination: "True, socialism recognises the right of every nation to independence and freedom, to independent mastery of its destinies. But it is a real mockery of socialism when the modern capitalist states are presented as the expression of this right of the nations to self-determination. In which of these states has the nation yet determined the forms and conditions of its (sic!) national, political or social existence?" By "self-determination of the German people", Marx, Engels, Lassalle understood "the united, great German republic". [Modern Germany has been built (N.B.) (77) "on the ruins of the German people's right to national (N.B.) self-determination (N.B.)"....]

77 ..."or is it, perhaps, the Third Republic with colonial possessions in four continents, and colonial atrocities in two of them, that is an expression of the 'self-determination' of the French nation?"...

78: "In the socialist sense of this concept, there is not a single free nation, if its existence as a state rests on the enslavement of other peoples, for the colonial peoples, too, are reckoned as peoples and as members of the state. International socialism recognises the right of free, independent and equal nations, but it is only socialism that can create such nations, and only it can realise the right of nations to self-determination. And this socialist slogan serves like all the other socialist slogans not to justify the existing order of things, but to indicate the way forward, and to stimulate the proletariat in its active, revolutionary policy of transformation"....

N.B.

? ...In the imperialist situation of today there cannot be any more "national wars of defence" (78)... to ignore this situation means "*to build on sand*".

Hence "the question of defence and attack, the question of who is to 'blame', is quite meaningless" (78); for both France and Great Britain it is not a matter of "self-defence", they are defending "not their national, but their world political position"....

N.B.: ..."in order to dispel the phantom of 'national war' which dominates Social-Democratic policy at present" (81).

Imperialist policy is an international phenomenon, the result of "the world-wide development of capital" (79).... "It is only from this starting-point that the question of 'national defence' in the present war can be correctly posed" (80).... The system of alliances, military interests, etc., immediately *involve imperialist* interests and countries.... "Finally, the very fact that today all capitalist states have colonial possessions which in time of war, even if it begins as a 'national war of defence', are in any case drawn into the war from military-strategic considerations" ... the "holy war" in Turkey, the instigation of uprisings in the colonies...—"this fact, too, today automatically converts every war into an imperialist world conflagration" (82)....

The example of Serbia (behind which stands Russia), Holland (her colonies and *so forth*).... "In this way, it is always the historical situation created by present-day imperialism that determines the character of the war for the different countries, and it is because of this situation that nowadays national wars of defence are in general no longer possible" (84)....

He quotes K. Kautsky: *Patriotism and Social-Democracy*, 1907, p. 16 in particular, that "under these conditions a war for the defence of national freedom can no longer be expected anywhere" (Kautsky, quoted by Junius, p. 85). (K. Kautsky, pp. 12-14 on "national problems", that they can be solved "*only* (N.B.) *after* (N.B.) the victory of the proletariat".) [K. Kautsky, p. **23**. N.B.]

What then is the task of Social-Democracy? Not to be "passive". "Instead of hypocritically dressing the imperialist war in the cloak of national defence, we should take *seriously* [author's italics] the right of nations to self-determination and national defence and use them as a revolutionary lever *against* [author's italics] the imperialist war (85). The most elementary requirement of national defence is that the nation should take defence into its own hands. The first step in that direction is a *militia*, i.e., not merely immediate arming of the entire adult male population, but above all the decision by the people of the question of war and peace; it implies also immediate abolition of all political disfranchisement, since the people's defence must be based on the greatest political freedom. And it was the prime duty of Social-Democracy to proclaim these genuine national defence measures, and strive for their realisation" (86). But the Social-Democrats abandoned the demand for a *militia* until after the war!!! although we have said that "*o n l y* a militia" is capable of defending the fatherland!!!

?

??? N.B.

"Our teachers had a different conception of defence of the fatherland"... (Marx in *The Civil War*, in support of the national war of the Commune)... and ... Frederick Engels in *1892*, in support of a repetition of 1793.... But alongside this: "*When Engels wrote that, he had in mind a situation quite different from the present one*" (87)—prior to the Russian revolution. "He [Engels] had in mind a genuine national war of defence by a suddenly attacked Germany" (87)....

N.B.!

And further: "Yes, it is the duty of the Social-Democrats to defend their country during a great historical crisis. And precisely therein lies the grave guilt" of the Social-Democratic Reichstag group.... "They *did leave* the fatherland unprotected in the hour of its greatest peril. For their first duty to the fatherland in that hour was to show the fatherland what was really behind the present impe-

??

??

N.B. rialist war; to sweep away the web of patriotic and diplomatic lies covering up this encroachment on the fatherland; to proclaim loudly and clearly that for the German people both victory and defeat in the present war are equally fatal...; to proclaim the necessity of immediately arming the people and of allowing the people to decide the question of war and peace ... finally, to oppose the imperialist war programme, which is to preserve Austria and Turkey, i.e., perpetuate reaction in Europe and in Germany, with the old, truly national programme of the patriots and democrats of 1848, the programme of Marx, ?? Engels and Lassalle—the slogan of a united, great German Republic. This is the banner that should have been unfurled before the country, which would have been a truly national banner of liberation, and which would have been in accord with the best traditions of Germany and with the international class policy of the proletariat" (88).

100: ..."Hence, the grave dilemma—the interests of the fatherland or the international solidarity of the proletariat—the tragic conflict which prompted our parliamentarians to side, 'with a heavy heart', with the imperialist war, is purely imaginary, a bourgeois-nationalist fiction. On the contrary, there is complete harmony between the interests of the country and the class interests of the proletarian International, both in time of war and in time of peace: both war and peace demand the most energetic development of the class struggle, the most determined fight for the Social-Democratic programme" (89)....

But what should the Party have done? Call a mass strike? Or call for refusal to serve in the army? It would be absurd to try to answer. The revolution cannot be "made". "Prescriptions and recipes of a technical nature" would be "*ridiculous*" (90); it is not a question of such things, but of a clear political slogan. (Expatiates against technique, etc., etc., "small conspiratorial circles", etc.) (N.B. 101-02).

§VIII (93-104) deals especially with the question of "victory or defeat", endeavours to prove that both are equally bad (ruin, new wars, etc.). To choose between them would be "a hopeless choice between two lots of thrashing" (98)... "except in one single case: if by its revolutionary intervention the international proletariat upsets all the calculations" (of both imperialisms) (98).... There can be no status quo (99), no going "backwards", only forward to the victory of the proletariat. Not harebrained schemes of disarmament, not "utopias" or "partial reforms" (99), but the struggle against imperialism.

p. 102—the threat of "mass collapse of the European proletariat" (102).... "When the hour strikes, the signal for the social revolution that will set mankind free will come only from Europe, only from the oldest capitalist countries. Only the British, French, Belgian, German, Russian and Italian workers together can lead the army of the exploited and enslaved in the five continents of the world" (103).

but America?? and Japan??

"THE SOCIALISTS AND PEACE"

Journal des débats, November 11, 1915.

"The socialists and peace".... "It certainly seems as if this conference [Zimmerwald] had been organised by the German socialists, whose intimate connection with the government of that country is well known. It is a manoeuvre on the part of our enemies which should not astonish us. They have resorted to it several times ever since they have felt that all is up with them."

!

..."The French Socialist Party considered it necessary to speak out" (the Socialist Party resolution against the conference) "in order to dispel any ambiguity and to affirm once again that it remains faithful to the patriotic pact of the sacred union."

!!

ITEMS IN *LE TEMPS*

Le Temps, November 13.

Item (on p. 2) on the *Vorwärts* article about Renaudel's speech and, *sympathetically*, on the *l'Humanité* article *against* Zimmerwald.

Ibidem November 12.

"The Socialists and Alsace-Lorraine."

An article by Compère-Morel in *l'Humanité* frankly states "that we do not consider Alsace-Lorraine as being such" (=as German territories, which we do not wish to "conquer").

BRAUER ON GERMAN "DEFEATISTS"

Hochland, Munich, No. 8, 1914-15, May 1915.

A Roman Catholic, aristocratic organ of the Austro-Munich clericalists

(published by Karl Muth)

Th. Brauer, War and Socialism.

..."The war is more than just an episode in the development of socialism: it leads (at least as a possibility) to a definite end of this development" (176)....

...(The "story" of Marx, Engels, Bebel....)

..."Theoretical 'annihilation' does not prevent 'opportunism' from living merrily on and winning respect. As the masses flocking to the socialist banner grow, so also, but to a much greater degree, grows their desire with regard to the present, and there is no preventing them, in their aspirations, from turning their eyes to the present-day state" (179-80)....

...Precisely in this (revolutionary) ideology, against which Bernstein fought—"precisely in this ideology the European war plays a great part as the prelude to the social revolution" (180).

(The trade unions grow wiser)

..."immediately before the war there was also a formal approximation between trade union socialism and 'bourgeois' social reform" (181).

"The volte-face of German Social-Democracy at the outbreak of the war, seen in its purely external aspect, came as a sudden sharp break. Right up to the eve of the war, the press carried exhortations, warnings and appeals in the old agitational jargon. Views were even expressed which, by referring to what allegedly happened in France after 1870, sounded like eulogy of defeat. Then, however, a single day brought about ... a turn which could not be more complete. The official explanations do not even remotely justify it. As everyone knows—and there is no need therefore to dwell on this—they can be easily refuted by previous official statements" (181). N.B.

...(The socialist masses, we are told, came into contact with the "full" reality of life)....

..."The far-seeing socialists, especially from the revisionist camp" (182) ... long ago pointed out the danger of such an [old-socialist] education of the people....

...(eulogy of patriotism)....

..."Now, at last, the reformists can hope to find a strong, impregnable basis for the new socialist and Social-Democratic programme they have so ardently desired" (183)....

..."If one wanted to describe briefly the practical success of revisionist activity, one would have to say that it has shattered faith in Marxism, both among the leaders and the upper stratum of practical organisers, and that, in default of an adequate substitute, they have made tactics their 'credo'" (184). N.B.

and in general (188) let us first have the opinion of those who will come back from the trenches.

N.B. *Report of Swiss Factory and Mining Inspectors on Their Work in 1912 and 1913—Aarau, 1914* (265 pp., 3 marks). N.B.

ARTICLES AND NOTES IN *LE TEMPS*

Le Temps, December 6, 1915.

"The anniversary of the battle of Champigny" was celebrated today.

Speech by M. Albert *Thomas*:

"No peace until our Alsace and our Lorraine have been definitely returned to France"....

...until German imperialism has been rendered harmless, etc., etc. (..."victory"....)... "to the finish"....

Ibidem, December 7, 1915.

An article (editorial) "Good Words".

> "This demonstration is the more significant because M. Albert Thomas represents in the government, together with M. M. Guesde and Sembat, the United Socialist Party, certain elements of which cannot forget the dangerous tendencies which used to prevail among them before the war and remain obsessed by the vague ideal of an internationalism from which we almost perished"....

N.B.

..."There is here" (in the Thomas speech) "a precise, formal claim for the simple unconditional return of Alsace-Lorraine to France. These words are in happy contrast to the too cautious formulas sometimes advanced by the extreme Left and open to regrettable misunderstandings."

Ibidem (p. 2) "Among the Socialists". Yesterday there was a preparatory meeting (for the Party Congress on December 25, 1915) of the Seine federation. Bourderon tried to speak, "but he was violently interrupted" (there were shouts that he had no credentials) (*idem Journal des débats*, December 7, 1915. When Bourderon said that he represented the minority, "violent protests were raised"...).

"Yesterday evening in the rue de Paris at Montreuil, M. Merrheim was to have given a lecture on the international pacifist conference in Zimmerwald. M. Merrheim's lecture was forbidden."

"AMERICAN ARMS SUPPLIERS"

Article in *Neue Zürcher Zeitung*, 1915, No. 485, 1st morning edition. April 23, 1915.

American Arms Suppliers.

"For some considerable time now the American press has carried reports on arms deliveries to the Entente powers. We take the following from a California newspaper:

"'War material destined for the Allies is now shipped by American producers to Canada, from where British ships carry it to England. Goods for France and Russia follow the same route, via England. Through agents or directly, the Allies have contracts with nearly all American armaments factories. Of course, the factories keep this a secret, for fear of having to stop their supplies, because all this material is contraband of war.

"'Fifty-seven U.S. factories are engaged exclusively in armaments production. They normally employ about 20,000 workers, but now, working two and three shifts, the number is about 50,000. They do not make explosives. These are produced at about 103 factories, whose output has doubled since the outbreak of the war. Many gun-cotton factories are working three shifts. The mass demand has, of course, resulted in higher prices. Thus, in February the French Government ordered 24,000,000 lbs of gun-cotton at 65 cents per pound, whereas in ordinary times the cost is 24-25 cents.

"'In addition, there are items of equipment for troops and animals: footwear, utensils, saddles, tanned leather, etc. For America, the European war means a vast, profitable business.'"

Lloyd George in Parliament.

THE DAILY TELEGRAPH, APRIL 22 AND 23, 1915

The Daily Telegraph, April 22, 1915.

Lloyd George's speech in the House of Commons:

"He astounded the House by saying that in a single fortnight of last month the British artillery fired more shells than during the whole continuance of the Boer War."

N.B. || If in September the output (of artillery shells) was *20*, in March it was *388*, 19 times as much.

(And in September it was more than in August, and in August more than in July!)

Before the war, he said, it was reckoned that there would he six divisions on the continent. There are now *36* = 720,000 men.

In March, the Defence of the Realm Act was passed "enabling [the government] to take over any suitable engineering firms and turn them to producing shells.

N.B. || "Munitions without end—such is the best formula for saving life and securing a speedy end to the war"....

Ibidem, April 23.

"Patriotic Pledge by Employers":

I declare that, *in giving employment after the war*, I will give preference to those who have served in the army.

Signature

(The King and Ministers *favour* this)..

Ibidem. *Roosevelt's book. America and the World War.*

The author favours the rule: "speak softly, but carry a big stick" (he complains that people call him the "big stick", but forget the beginning of his saying). (The example of *Belgium*.)

Favours the United States of America introducing national "*military training*" à la Switzerland or Australia....

ARTICLES BY HUGO BÖTTGER IN *DER TAG*

Der Tag, 1915, No. 93 (edition A), April 22, 1915.

Article: "The Free Trade Unions and the Government" by Dr. *Hugo Böttger*, Reichstag deputy.

The author begins with the fact that the managing director of a mining company (in Gelsenkirchen), *Kirdorf* , reproached Minister *Delbrück* (Minister of the Interior) for maintaining "close contact with the trade union leaders".

This was dangerous for the workers would become more restless.

The author replies that there is no harm in this, that workers and employers are standing side by Bide in the trenches, that "if they (= the free trade unions = the Social-Democrats) are enlisted for joint work on certain labour and general national questions in the Ministry of the Interior, that is just as much a recognition of the need, as it is an obligation, for the duration of the war, to *r e n o u n c e certain provisions of the Social-Democratic programme* which belong to the sphere of the **International** and, in common with all other sections of the population, to do their duty and defend the fatherland".... N.B.

An article by the same author in No. *82* (April 9) "The Development of Our Policy", in which, inter alia, it is stated:

"It is surprising that even in Social-Democratic discussions the opinion clearly emerges, against the background of Marxist thinking, that now one has to reckon with the further development of imperialism, the development of large world powers, externally sovereign, as far as possible independent. Some reject this, others try to include imperialism in socialist development, and, of course, there can be no doubt as to which of these two trends is the wiser and has the greatest prospect of success"....

"THE OBJECTS OF THE WAR", ARTICLE IN *THE ECONOMIST*

The Economist, March 27, 1915. Saturday.

Article: "The Objects of the War" (in connection with Grey's speech on Monday (March 22??) in the Bechstein Hall).

The editors are concerned for peace and rejoice that Grey did not say anything likely "to lengthen or embitter the war"....

The end of the article reads:

"Statesmanship cannot contemplate a bitter end of universal mourning and almost universal bankruptcy.

A time may come before long when it will be possible to consult the dictates of humanity and at the same time to secure the objects indicated by Sir Edward Grey [the freedom of nationalities etc.].... If such an opportunity is lost, the war will not go on for ever. It will end in revolutionary chaos, beginning no one can say where and ending in no one can say what. Even if the war ceased tomorrow, there is hardly a family even in this comparatively prosperous country which will not suffer severely for years to come from the burdens entailed by the struggle" (p. 615). (End.)

N.B.

JOURNAL DE GENÈVE, APRIL 7, 1915

Journal de Genève, April 7, 1915.

A leading article entitled: "The Harm of Talking Too Much" discusses the book: *Lessons of the 1914 Yellow Book* by Henri *Welschinger*, Member of the Institute, published by Bloud et Gay, Paris.

On July 13, 1914 (note the date!), M. Ch. Humbert, "the reporter for the War Committee", anxious to demonstrate France's unpreparedness, told the Senate that France had practically no heavy artillery, even of 10-13-21 cm. Mortars of 28 cm. would be available ... in a year's time!!

And next day, July 14, 1914, the War Minister, Messimy, stated in the Senate that

at the end of 1915 (!!) France would have

200 long 105 mm. guns, and at the end of 1917 (!!!) 200 short 120 mm. howitzers.

N.B. "Could Germany draw any other conclusion than 'Let us march without losing time'?"

LLOYD GEORGE ON £4,000,000,000

Lloyd George in the *House of Commons*. Tuesday, May 4, 1915 (*The Daily Telegraph*, May 5.)

..."What is the income of this country? The income of this country in times of peace is £2,400,000,000.

"Now it is probably higher. Why? We are spending hundreds of millions of borrowed money here. Most of it is spent in this country. Men are working time and overtime, their wages are higher; profits in certain trades are higher, certainly considerably higher; and the result is that the income of this country at the present moment is probably higher than in times of peace. Some are probably making huge profits—(hear, hear)—and others have raised their income far beyond their ordinary standard. N.B. N.B.

"I have no doubt that it would be perfectly just when we come to consider, if we can have to do it, what taxes you have to raise or what contribution you have to levy in order to enable you to get through a war lasting two or three years—it would be perfectly legitimate to resort to those who have made exceptional incomes out of the war (cheers).... What are the ordinary savings of this country in times of peace? The ordinary savings are about £300-400 (millions) per annum. The income is higher, and I do not think it is too much to say that in every country in Europe the standard of living is considerably lower—I am not sure to what extent. N.B.

"But the savings of this country during the period of the war when the income is higher ought to be double." N.B.

And another passage from the same speech:

"We are an enormously rich country—certainly the richest in Europe. I am not sure that we are not the *richest country in the world*, in proportion to population. *We have £4,000,000,000 invested in foreign and colonial securities of the best*"!! £4,000,000,000

..."We have got *to finance the purchases of most of our Allies*"....

NOTEBOOK "η"
("ETA")

Contents

η

K. KAUTSKY, *THE NATIONAL STATE, ETC.*

The National State, the Imperialist State and the Alliance of States, by **K. Kautsky**, Nuremberg, 1915 (50 pfennigs) (80 pp.).

In §1—"Some Remarks on Democracy and the National State"—K. Kautsky finds fault with the Right-winger (Winnig) and a Left-winger of Halle (from the Halle *Volksblatt*), who say that the principle of "the right of every nation to national self-determination" (p. 5 in the declaration of August 4) is out-of-date. Kautsky favours the Centrist position on this issue, and chews over all the old stuff about the link between democracy and the national state.

In this context, he opposes "primitive democracy" and "direct national legislation" (8); moreover he includes in "primitive democracy" "its most active variety, the mass strike" (8).

We are not for the status quo, he says, (14) but *for a different way* of breaking out of the national framework.... "The proletariat cannot emancipate itself by some of its sections, engaged in definite occupations or living in definite regions, benefiting from exploitation and oppression. That signifies rather a weakening of its position" (16)....

[And not a word of conclusion from this!! The sophist!]

On p. 17 a swindling distortion of the position of the Lefts. Like the Rights, *they too* (he says) agree that imperialism is inevitable, but demand that it be countered by "the immediate realisation" (17) of socialism....

"This looks very radical, but is **only (!!!)** capable of driving everyone who does not believe in the immediate practical implementation of socialism into the camp of imperialism."

petty swindler!!

This is followed by the most banal prattle about society being an organism and not a mechanism, and similar childish nonsense (with hints about the strong "national sentiments" (18) among the workers) and the conclusion that the inevitability of imperialism does not imply that it is foolish to fight it "within this [capitalist] mode of production" (21).

N.B.

"The petty bourgeois and small peasants, and even many capitalists and intellectuals", are against imperialism and favour other means of the extension of capital (apart from colonies) (21)....

LENSCH, *GERMAN SOCIAL-DEMOCRACY AND THE WORLD WAR*

Dr. Paul Lensch, *German Social-Democracy and the World War*, Berlin, 1915 (Vorwärts). 64 pp. (1.00 Mk).

A model of grovelling, chauvinist blather. A comparison with Plekhanov would be most useful!!

The war = a "product of imperialist policy" (5). In Jena (1911) Bebel said that instead of disarmament we had rearmament and things were moving towards "a great catastrophe" (5)....

N.B.

Pointing to the early twentieth-century wars and revolutions, Lensch exclaims: "what we are experiencing is a revolution" (6)....

We German Social-Democrats, "the strongest group in the International" (6), have been the most resolute in combating our government, etc., etc., have always held up Britain as an example (as if Britain were ruled not by a "capitalist clique", but by a "committee for carrying out the Ten Commandments and other laws of morality" (6-7)). He points to the old traditions of German history and of Liebknecht, who "never entirely got rid of a certain South-German particularism and hatred of Prussia" (7).

Things went so far that Kautsky maintained mastery of the seas was "indispensable" for Britain (7: where is the quotation from?) (from the standpoint of food supplies, in contrast to Germany)....

! ‖ "The danger of this line of reasoning, which, incidentally, corresponded to a view almost universally held in the Party, has become fully evident in the present world war" (7)....

..."this weak criticism in regard to other countries" (8) had its roots "in the enormous strength of the Party"... "in its internationalism".

"Undoubtedly, it [this world war] is an imperialist war" (9).... The policy in the East ... the Baghdad railway ... Britain and Egypt, etc., the (projected) partition of Turkey, Morocco, etc.

!! ‖ "Germany was not consulted at all in this dividing up of the world" (10), "and it was more to protest against this insulting disregard than to protect the not very considerable material interests of German trade in Morocco" that the German Government protested against the Anglo-French agreement over Morocco.

In 1908 (the Revel meeting), the powers were already about to partition Turkey (Russia + Great Britain + France), but were prevented by the revolution in Turkey (11).

In 1914, agreements were nearly completed between Great Britain and Germany for the division of spheres in Africa (13) and in the East, etc.—*Russia* is to blame for the war.

In 1913 Germany threatened war over Armenia (14)....

"For Germany, by which we mean the German Empire and Austria-Hungary, the question of capitalist expansion has become a question of national existence" (15). !!

The question now is not merely of dividing up colonies and spheres of influence, etc., but: "Shall the German people continue to exist as a great and independent nation, or shall a large part of its national territory, in the east as well as in the west, be torn away and forcibly subjected to foreign, rule?" (15). !!

"On which side are the interests of international socialism in general, and of the German labour movement in particular, in this struggle, insofar as it concerns the threat to British world domination?" (16).

British mastery of the seas is a continuation of the wars against the French revolution. The monopoly of Britain towards the middle of the nineteenth century: Britain must be the "workshop" of the world.

"The much-vaunted British 'freedom' was based on enslavement of the world" (20).

"Great Britain has in a certain sense been the ruling class of the world" (20)....

In Chemnitz in 1912 (p. 417 et seq. of the minutes) I, Lensch, quoted Engels on the decline of Britain's monopoly and said:

"International socialism, however, has not the slightest reason for helping to perpetuate this lasting supremacy of one capitalist state over all others. That would only make the conditions for the victory of socialism more difficult and protracted" (22-23). !

..."the great historical advance that the shattering of British maritime supremacy would mean for the whole world and especially for international socialism" (23-24) would be the more certain the longer there was peace.... The working-class movement was a threat to the British bourgeoisie....

..."Seen in that light, participation in the world war was for the British bourgeoisie nothing but a flight from socialism" (24)....

...“In fact, if there were a means for throwing back for decades the proletariat’s international liberation struggle against capitalism, it would be the collapse of Germany in this war against Britain” (25)....

“The hard core of the International”, the German Social-Democrats, would be shattered and the working class thrown back into the camp of capitalism, etc. (25)....

“Germany is the centre and homeland of scientific socialism” (26).... “The interests of the international proletariat are on the German side” (27)....

Russian tsarism.... *Marx and Engels* in 1848. *But now it is different*. Engels in 1891 (quotation, p. 29). *But now it is different.*

Germany, as a *complete national entity*, “is being born” “only now” “with this war” (31)....

The German-Russian war “has grown far beyond the bounds of an imperialist war. It represents the culmination of the German people’s painful process of development towards national unity” (33)....

A quotation from Engels on Russian *diplomacy* (35): as if written now....

Against the dismemberment of Russia (37) (“not dismemberment” (38)), against the formation of small states—“a certain national autonomy” is sufficient....

The downfall of tsarism (it should be awaited from the Russian proletariat) will accelerate development....

France and the war (§V).... Revenge.

“The interests of freedom and democracy are absolutely incompatible with the victory of French arms” (42), for France is allied with Great Britain and Russia.

German Social-Democracy would “*now*” regard the severance of Alsace-Lorraine “as a mutilation of Germany” (43).

“An honourable peace” (44) with the French republic—that’s what’s needed.

The German past and future (§VI):

National culture and its significance (according to O. Bauer, quotation p. 53). “Community of culture” (50 and others).

Capitalism *must* develop “towards democracy” (55)....

“*The danger of war*” (56)—the cause of delay in German democratic progress.

"Militarism" (58) in Germany?? On the contrary, universal conscription = the most and "almost the sole democratic institution" (Engels), whereas you have "hired troops" (59).... !!

"A middle-European alliance of states" (that, he says, is what Liszt wants)—(+ the Scandinavian countries + Switzerland + Italy + the Balkans + Turkey)—"a new era in world political development" (63)...—"the locomotive of world history" (62) = this war ... "an extraordinary step forward" "in the sense of democracy, world peace, freedom of the peoples and socialism" (82). "Yes, and socialism!" (62)....

Smash tsarism—make peace with France—smash the "coercive rule of the British bourgeoisie" (63)....

The International is now shattered, but it will revive, as it did after 1870 (64).

ARTICLE BY O. B. "EUROPEAN ALLIANCE OF STATES?"

Die Grenzboten, 1915, No. 9 (March 3, 1915).

The article "European Alliance of States?" is an open letter of a certain *O. B.* to Professor *G. Heymans* of Groningen.

This professor, with four other persons, form a committee calling itself "the European alliance of states". This committee has published Heymans's appeal: "To the Citizens of the Belligerent States", to which the open letter in *Die Grenzboten* is a reply.

The open letter, inter alia, raises the question of *c o l o n i e s* (p. 270). "Is their 'internal independence' not also desirable? And are not the Indians, Negroes and Tatars also fully 'equal' with Britons, Frenchmen and Russians?"... (270).

...."The British colonial empire, which is not founded 'on the equality and internal independence' of the colonial peoples any more than the other colonial empires, occupies about one-fifth of the globe. Ought Great Britain to retain this colonial empire until, perhaps, the British have died out in Britain herself, and will Germany not be allowed to

quotation from the committee's appeal

malicious! | obtain a single square metre of this empire, even if in the meantime her population has increased to 200 million?" (271)....

FINANCE CAPITAL IN RUSSIA

Finanz-Archiv (published by Schanz), Berlin, 1915 (32nd year, Vol. I):

Dr. Ernst Schultze, "French Capital in Russia" (pp. 125-33).

"At the end of 1899 there were in Russia *146* foreign concession companies, with a total capital of *765* million rubles or *2,075* million francs. Of this, *792* million francs belonged to France, *734* to Belgium, *261* to Germany and *231* to Great Britain" (125)....

	million francs
France	— — 792
Belgium	— — 734
Germany	— — 261
Great Britain	— — 231
	Σ=2,018

"Out of a world total of 732,000 million francs in securities, such as: state and municipal loans, mortgage deeds, industrial shares and bonds, only 20,000-25,000 million francs are said to have been invested in Russia. The chief holders of these securities were (127):

Σ	Σ						
130		United States	110-115	thousand	million	francs	420
100		Great Britain	125-130	"	"	"	
	75	France	95-100	"	"	"	
25		Germany	60- 75				
	22	Russia	20- 25				
+12		Austria	20- 22				
5		Italy	10- 12				
		Japan	5	"	"	etc.	" [1]
260	97	(my Σ=)	440-484				
+12							
272							

[1] Axel von Boustedt and David Trietsch, *The Russian Empire*, Berlin, 1910, p. 227.

In France, during 1889-1908, securities were issued to the value of *24,000* million francs: 18,000 million abroad + 6,000 (25 per cent) in France.

In Germany, during 1883-1907, securities were issued to the value of *42,000* million marks: 10,000 million abroad and 32,000 (80 per cent) in Germany.

The French national wealth

(1905)— *204,000* million francs

1914 — about *250,000* " " (Caillaux, who, however, took *200,000* million in calculating income tax).

In 1912, France invested in Russian enterprises in Russia 367,660,000 rubles = about 990 million francs (including 115.5 million rubles in railways; 96.25 million in state enterprises; 70.9 million in trade banks, etc.).

At the present time, foreign capital in Russia is approximately as follows:

France	about 20	thousand	million	*marks*
Germany	4-5.5	"	"	"
Great Britain	0.25	"	"	"
Belgium	0.6	"	"	"
Σ (my)	24-26.35			

The author = a German chauvinist. Predicts gigantic French losses from the war: p. 133.

BARRON'S BOOK ON THE WAR

The Audacious War. By C. W. Barron—"Its Commercial Causes, Its Cost in Money and Men". An *announcement* (not a review) in *The Economist*, March 20, 1915:

"As publisher of *The Wall Street Journal*, *The Boston News Bureau* and *The Philadelphia News Bureau*, Mr. Barron went abroad to get the financial and diplomatic inside of the war, and he got it."

"Send orders to your bookseller or *The Wall Street Journal*. 44. Broad Street, New York City, N.Y. 4s. 6d. (post paid) (Houghton Mifflin Co., Publishers)."

LENZ ON MODERN WAR

Friedrich Lenz, "The Political Prerequisites of Modern War", *Deutsche Rundschau* XLI, 4, 1915, January.

Millions of English square miles (p. 81):

	1862	1888	1912
The British Empire:	4,600	9,300	10,800
The Russian Empire:	7,600	8,600	10,200
The Turkish Empire:	1,800	1,300	700
United States of America:	1,500	3,500	3,700
France with colonies (round figures):	400	1,100	4,800
German Empire with colonies (round figures):	240	600	1,200
Austria-Hungary:	239	241	241
Japan with colonies:	150	150	260
Italy " " :	100	110	700

At the beginning of October 1914 (p. 102):

?	Population (million)	Territory (English sq. miles)	Foreign trade (million marks)
	(1910)	(1912)	(1912)
(German-Austrian)	130	1,440,000	26,750
(Anglo-Franco-Russian)	670	26,090,000	76,750
(Neutral) (round figures)	800	24,470,000	58,000
	1,600	52,000,000	161,500

Population (ibidem, p. 83):

	Germany (prior to 1870 without Alsace-Lorraine)	France (from 1870 without Alsace-Lorraine)
1700	14	21 million
1788	16	25
1816	23	29
1860	36	37
1912	66	40
1925-30	80	40

NOTEBOOK "ϑ"
("THETA")

Contents

HILFERDING, *FINANCE CAPITAL*[29]

H i l f e r d i n g, ***Finance Capital*** ("The Recent Phase in the Development of Capitalism"), Moscow, 1912.

German edition published in 1910 (Volume III of *Marxist Studies*).

p. 13. "According to E. Mach", "the 'Ego' is only the focus in which the infinite threads of sensation converge.... In exactly the same way money is the node in the network of social connections"....
mishmash
incorrect, not "in the same way"

p. 34. "Ever since Tooke the quantity theory (of money) has been quite rightly regarded as fallacious"....

incorrect | *p. 54*, note and especially 54-55. Hilferding is wrong here, see *Die Neue Zeit*, 1912, 30th year, Vol. 1.
(According to Hilferding, money enters into exchange without value.)

incorrect | *p. 71*, note. "Only our perception gives things the form of space" (a Kantian).[30]

p. 90-91 (and 91, note).

N.B. | How Marx predicted the domination of the banks over industry (N.B.) (*Capital*, II, p. 79).

93, note. Σ of bills per annum:

(thous. million marks)	(of which, acceptances by banks)
1885—12.1	16 per cent
1905—25.5	31 " "

N.B. | 102 (and note). A large part of international trading transactions are through bills "accepted" by the banks.

105-06. *The role of the banks.*

108. *Three* functions of the banks:
1) intermediary in payments,
2) conversion of inactive into active capital,
3) aggregation of the income of *all* classes in money form and lending it to the capitalist class.

110, note. Excellent study by *Jeidels* and its shortcomings.

112. "International banker" countries:
(1) France, Belgium, Holland
(2) Great Britain
(3) U.S.A. and Germany.

116: *The role of the banks in production* ((chiefly from Jeidels)). *120* idem

154-55, note. Steel Trust and its dividend. { 7% on privileged shares and 2% on ordinary shares: it holds back profits for years, and then suddenly, at a suitable moment, distributes them. }

157. A capital of five million controls *39* millions. "Tochtergesellschaft" translated "subsidiary company".
159. Seats on Supervisory Boards (60-70 million income from these throughout Germany)—using connections and acquaintances.
162. *Six* banks—*751* seats on Supervisory Boards (Jeidels).... In 1909 there were 12,000 such seats—197 persons held *2,918* seats. (Cf. **ibidem** *Morgan* in *America*.)
172. Significance of "reconstructions":
(1) a profitable operation;
(2) it makes companies dependent on the banks.
183 (at the end) and *184*.—Replacement of bills of exchange by entries in the bank's books.
199. Pressure of big capital on the Stock Exchange (and a note: the example of Morgan in 1907).
211. — — Banks replace the Stock Exchange....
222. Nature and significance of time bargains.

N.B. **262**. Quotation from *Capital*, III, 2, pp. 144-45 (Russian translation) on *the role of the banks versus socialism* (N.B.).

274. Heavy industry. Outflow of capital difficult (the path to monopoly).
(277-) 278: Tendency of the banks to *monopoly*.
281. *N.B.*: Cunow on cartels in *Die Neue Zeit*, XXII, 2, p. 210.
285. "Combination" = uniting extractive with manufacturing industry.
295: Corporations and "outsiders" (N.B.)....
298: No big industrial enterprise can exist without the help of the bank.
300-01. Engels on the *new type* of protective tariffs and on cartels (*Capital*, III, 1, p. 95).
302-03: Evolution of cartel forms (and 304 *especially*).
308. Concentration of trade (cf. *A. Lee* in *Die Neue Zeit*, XXVII, 2, p. 654).
320, note. Abolishing trade does not reduce the price of the product.
322-23: Merchants—agents—salesmen (N.B.) (and *324*).

331. (Verbal imitation of Marx.)
336. Example of founder's profit: The *Sugar Trust* (N.B.) in America (70 per cent on the *actually invested* capital, 10 per cent on the "watered" capital).*
338-39: **Definition** of *finance capital* (and *341*): finance capital = "capital controlled by banks and employed by industrialists" (339).
346: Cartels = "*restriction of competition*".
353: Connection of cartels with *export* of capital.
355: Finance capital and "the organisation of social production" ... (cf. *353* and *354*).
358: With the growth of combination, production for internal needs increases (but for **commodity** production).
362. *Marx* on crises (III, 1, 219-20, Russian translation).
364. Volume II includes "the most brilliant parts of a remarkable work" (the "merit" of *Tugan-Baranovsky*[31]?! in a note).
382. "Schemes" (of Volume II) and the significance of "*proportionality*" ((cf. 426 and + 427)).

447: Universal cartel is "*economically* possible" ("socially and politically unrealisable") ... it would abolish crises.... But "to expect the abolition of crises from individual cartels" = lack of understanding.

Up to Section V: "The Economic Policy of Finance Capital".

N.B. p. 454, note. A quotation from Schulze-Gaevernitz (*British Imperialism*, p. 75): "Way back Sir Robert Peel said: 'We are getting a second Ireland in each of our colonies.'"
474: Export of capital = "export of value intended to produce surplus-value abroad".
487: In new countries, import of capital "arouses the resistance of peoples awakening to national

* See present edition, Vol. 22, p. 233.—*Ed*.

consciousness".... "Capitalism itself gives subject peoples means of liberation"... "the movement towards independence"....

487. The problem of the national movement in dependent countries (the urge of "subject peoples" for "liberation").... 488. Acceleration of capitalist development in new countries.... 491: Struggle of "national groups of banks" for spheres of capital investment (*Paish* and others).... 493: > advantages of capital investment in the colonies. 495. The policy of finance capital (1.2.3.)

495: "The policy of finance capital has a triple aim: first, creation of the widest possible economic territory, (colonies) which, second, must be protected by tariff walls against foreign competition, and be converted, (protectionism) third, into a sphere of exploitation for national monopolist associations", (monopolies)...

N.B.: 484: *polemic* on *immigration* in *Die Neue Zeit*, 25th year, 2 (1907)

505. "The most important function of diplomacy now is that of agency of finance capital".... 506. *Karl Emil* on *German* imperialism. *Die Neue Zeit*, XXVI, 1. 510. The national state. 511. Finance capital seeks domination, not freedom. 512-13. The nation and imperialism. 513-14. Oligarchy in place of democracy.

567. "The reply of the proletariat to the economic policy of finance capital, to imperialism, can only be socialism, not free trade." N.B.
The restoration of free trade = "a *reactionary ideal*" (N.B.)

Finance capital = bank capital dominating industry.

[is it not sufficient to say: "finance capital = *bank* capital"?]

***Three main factors*:**

Definite degree of development and growth of *big* capital.... The role of the *banks*. (Concentration and socialisation.) — **corporations in America.**

Monopoly capital (control of so large a part of a particular industry that competition is replaced by *monopoly*).... — **(America and Germany)**

Division of the world.... (Colonies and spheres of influence).... — **Table—and the example of Argentina**

N.B. *Hilferding*: in *Die Neue Zeit*, 1912 (30th year, Vol. 1), p. 556... "the endeavour typical of every capitalist monopoly to make its economic monopoly indestructible by backing it with a monopoly of natural resources"....

THE ELECTRIC TRUST

The electrical industry trust:

"The Path of the Electric Trust" by *Kurt Heinig* (Berlin). (*Die Neue Zeit*, 1912) (June 28, 1912), 30th year, Vol. 2, p. 474.)

An excellent illustration of imperialism*:

In *1907*, an *agreement* was concluded between the A.E.G. (Allgemeine Elektrizitäts-Gesellschaft) and the G.E.C. (General Electric Company)

A.E.G. Concern
G.E.C. Trust

on division of the world.

* See present edition, Vol. 22, pp. 247-48.—*Ed.*

G.E.C.—U.S.A. and Canada.

A.E.G.—Germany, Austria-Hungary, Russia, Holland, Denmark, Switzerland, Turkey, the Balkans.

		Turnover (mill. marks)	No. of employees	Net profit (mill. marks)
G.E.C. (*U.S.A.*)	1907	252	28,000	35.4
	1910	298	32,000	45.6
A.E.G. (*Germany*)	1907	216	30,700	14.5
	1911	362	60,800	21.7

298+262=660 million marks

Special (secret) agreements on "*subsidiary companies*". "In addition, mutual exchange of inventions and experiments!" (p. 475). ‖ N.B.

The number of **companies** (mostly joint-stock companies) in which the A.E.G. "has a controlling interest" is **175-200** (p. 484). Of these, the six chief companies have a capital of about *750 million* marks, while the total capital of all of these companies is *probably* about *1,500 million* marks.*

The number of "manufacturing companies" is *16*

production of rubber—cables—quartz lamps—insulators—railway signals—motor cars—typewriters—aircraft, etc.

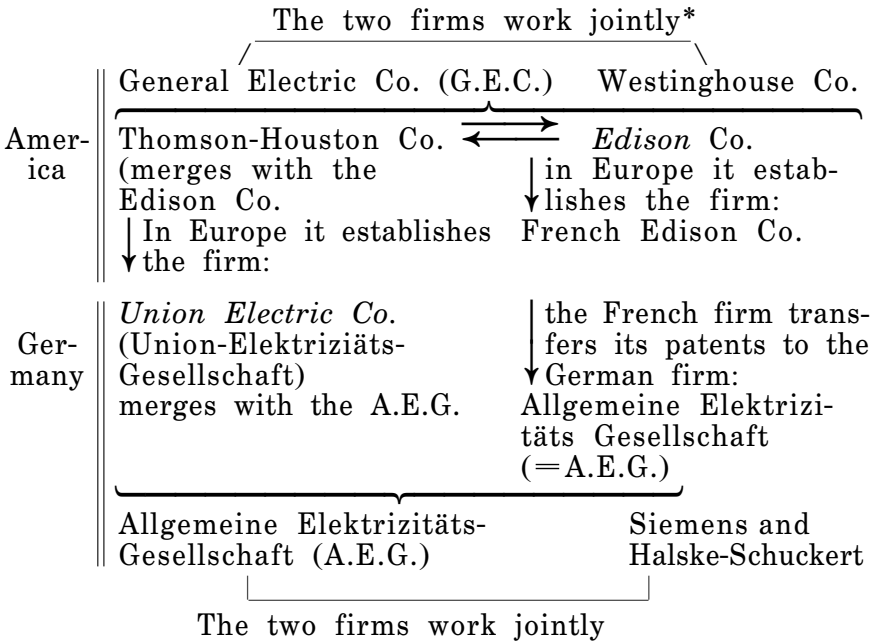
Production of raw material, etc., by the same enterprise is characteristic of modern industry. ‖ N.B.

[1]) The number of *direct* A.E.G. agencies abroad = 34 (of which 12 are joint-stock companies)**

[1]) 1. St. Petersburg and Warsaw
2. Lisbon
3. Christiania
4. Stockholm
5. Brussels
6. Paris
7. Rumania
8. Vienna
9. Milan
10. Copenhagen
South-West Africa
(((colony?)))

Altogether in *ten* countries

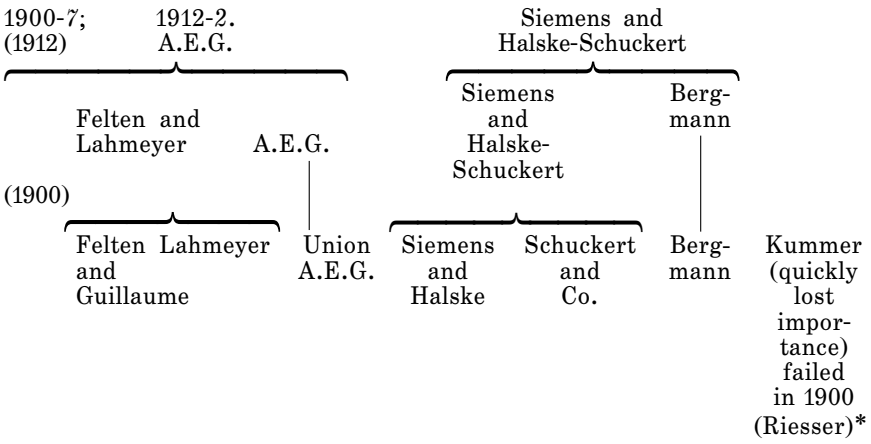
* Ibid., p. 230.—*Ed.*
** Ibid., p. 247.—*Ed.*



denotes a *merger*
= merger
establishment of a new firm (to which the arrow points) by the old one.

...“there are no other electrical companies in the world *completely* independent, at least, of these two (A.E.G. and G.E.C.)” (p. 474)....** N.B.

* See present edition, Vol. 22, p. 247.—*Ed.*
** Ibid.—*Ed.*



STATISTICS OF ISSUES

N.B. "These statistics—*in contrast to the usual statistics of issues*—comprise not the securities issued in the various countries, but the credits received by these countries. Thus, for example, the Russian loan taken up in London and Paris is listed under Russia, not Great Britain and France.

Conrad's *Volkswirtschaftliche Chronik* (1913, p. 783)
Total issues for 1883-1912

(thousand million marks)

1883—3.4	1893—4.9	1903—14.8
4.0	14.4	11.7
2.7	5.3	15.5
5.4	13.5	21.5
4.1	7.8	12.4
6.4	8.5	17.2
10.3	9.2	19.9
6.6	9.6	21.4
6.2	8.0	15.8
1892—2.0	1902—17.8	1912—16.4
Σ=51.1	99.0	166.6

(My)

Total **Issues**

53.0

This is the total for the world.
By countries, p. 782, for 1910, 1911 and 1912 **Total** for these three years

(thousand million marks)

Germany and colonies	7.2
Great Britain and colonies	5.2
+ South Africa	0.4
+ Canada	3.0
(My) Σ	8.6

* Ibid.—*Ed.*

		thousand mill. marks
	U.S.A.	10.6
(including Egypt)	Great Britain and colonies	8.8
	Germany and colonies	7.2
(including Morocco)	France and colonies	4.9
		29.5*
	Russia	3.2
	Austria-Hungary	2.1
	Belgium and colonies	1.3
	Japan	1.7
		8.3
My **total:**		
4 big countries		29.5
4 secondary countries		8.3
rest of America		7.0
14 European countries		4.91
China + Persia		0.7
		50.41

France and colonies	4.8	
Austria-Hungary	2.1	
Russia	3.2	
Belgium	1.0	
—her Congo	0.3	
(My) Σ	1.3	
Holland and colonies	0.6	
Luxemburg	0.01	
Spain	0.6	
Portugal and colonies	0.1	
Denmark	0.2	
Sweden	0.1	Σ=
Norway	0.1	=4.91
Switzerland	0.7	
Italy	0.7	
Rumania	0.4	
Bulgaria	0.1	
Serbia	0.2	
Greece	0.5	
Turkey	0.6	
U.S.A.	10.6	
rest of America	7.0	
Egypt	0.2	
Morocco	0.1	10.3*
China	0.6	
Japan	1.7	
Persia	0.1	
ΣΣ =	52.2	
	16.4	
	15.8	
	21.4	
but exact ΣΣ =	53.6	

From the literature N.B.:
Harms's Weltwirtschaftliches Archiv (six volumes already published).

* So given in the manuscript.—*Ed.*

(My) summary from Conrad's *Volkswirtschaftliche Chronik*.

On the statistics of cartels:

Number of cartels ((in Germany)) (pp. 903-06)

	newly established	continued or enlarged	dissolved
1913	38	34	15
1914	31	38	6

My calculation
increase
or
decrease
of **instances:**

+72—15=57
+69— 6=63

RIESSER, *GERMAN BIG BANKS AND THEIR CONCENTRATION*

Dr. Riesser, *German Big Banks and Their Concentration in Connection with Germany's Economic Development*, *3rd* edition, *Jena*, *1910*.

(Some figures, but not all, added from the *fourth* edition, *1912*.)

The *German electrical industry* prior to 1900 (before the *1900 crisis*, caused largely by *over-production in the electrical* industry) (Riesser, *3rd edition*, p. 542 et seq.)*:

Seven groups (with 27 (sic!!) individual companies):

No. of banks *behind* each group

11— I. Siemens and Halske group (4 companies)

Community of interests 1902-03. Fusion *1904*

8— II. A.E.G. group (4 companies)

8— III. Schuckert group (4 companies)

1903 merger Siemens-Schuckert group

1908 "Co-operation"—establishment of Elektro-Treuhand-Gesellschaft with a capital of 30,000,000 marks

6— IV. Union-Elektrizitäts-Gesellschaft group (2 companies)

* See present edition, Vol. 22, p. 246.—*Ed*.

9— V. Helios group ("went into liquidation": p. 582, *4th* edition) (5 companies)
8— VI. Lahmeyer group, in 1910 majority of shares held by A.E.G. (p. 583, 4th edition) (2 companies)
2—VII. Kummer group—failed in 1900 (7 companies)

many repetitions — 7 groups

[Total companies = 28, and not 27 as given by Riesser, p. 542 (p. *582*, 4th edition). On p. 568 he, too, says: 28 companies)

Results of concentration process (p. 568 et seq.).

	Now
"The most modern of our industries" is the *electrical ... seven* groups, with a total of 28 companies belonging to concerns....	2
Chemical industry ... *two* chief groups (see below).	2
Mining industry—two syndicates (Steel Association; Rhine-Westphalian Coal Syndicate)....	2
Shipping—two companies (Hamburg-America Steamship Co. (Hapag); and North-German Lloyd, "which are connected with each other and with an Anglo-American trust by a series of agreements")....	2
Banking—five groups ("embracing in all *41* banks belonging to concerns").	5
18 groups, my total	13 my total

Increase in the *number* of common-interest associations between big and provincial banks (p. 505).

Growth of concentration (p. 542, 4th edition):

1881— 1	1908— 32 (41)
1895— 2	1911— 26 (46)
1902—16	

(Riesser, p. 547 et seq.)

German chemical industry
(concentration)*

				Share capital (my totals)
I	Farbwerke, formerly Meister, Lucius & Brüning in *Höchst*-am-Main	Share capital—20 loan capital—10 million marks	("Dual alliance") 1904 "association" Exchange of shares, interlocking directorships	("Triple alliance") 1908 (exchange of shares)	20
	Leopold Cassella and Co. in Frankfurt-am-Main	share capital—20 loan capital—10			20
	Kalle & Co. (in Biebrich-on-Rhine (3.2)				3
					43
II	Badische Anilin-und Soda-Fabrik in Ludwigshafen (share capital 21 million marks).		1904 association	1905 "Triple alliance")	21
	Farbenfabrik, formerly Friedrich Bayer and Co. in Elberfeld (21 million marks).				21
	Aktiengesellschaft für Anilinfabrikation in Treptow near Berlin (share capital 9 million marks).				

* See present edition, Vol. 22, pp. 204-05.—*Ed.*

A "coming together" of groups I and II has already begun in the form of "agreements" on prices, etc.	43% 43% 14%	9
	100% profit	51

p. *560* et seq.: "Mining industry."

Two names: *August Thyssen* and *Hugo Stinnes*. Their gigantic and growing role (in the coal and iron industries).[32]

> ..."The common-interest agreement concluded on January 1, 1905 between the Gelsenkirchen Bergwerks, the Aachen Hütten-Verein Rote Erde and Thyssen's Schalker Gruben und Hütten-Verein united in a joint enterprise a number of competing banks, viz. the Discontogesellschaft, the Deutsche Bank, the Dresdner Bank and the Schaaffhausenscher Bankverein, but, at the same time, further increased the power of Hugo Stinnes and August Thyssen, who became members of the 'joint committee' of the new association" (p. 563) (p. 603 in the fourth edition).

(p. 577) idem, p. 624, fourth edition.

1882—28 banks with 50 or > employees: 2,697 employees —11.8% of the total

1895—66 banks with 50 or > employees: 7,802 employees —21.6%

+ 189.3% { up to 5 employees + 59.9% } { 6-50 employees + 34.5% }

1907 probably about ⅓

Deutsche Bank 1907—4,439 bank employees (p. 578)
1908—4,860 " "

"I estimate the number of bank officials in the *six* big Berlin banks at *18,000* at the end of 1910" (p. 625, fourth edition).

Riesser's book ends with a polemic against the socialists, upholds the official view and preaches harmony (in general, *Riesser is like that*):

Even the predicted socialisation "has not materialised" (p. 585). { ha-ha!! }

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p. 582 (p. 629, fourth edition):

"**Banks and the Stock Exchange**" (Riesser's italics):

"As regards the effect of the process of concentration on the functions and structure of the *Stock Exchange*, it is a fact that, with the influx of commissions to the big banks the latter to a certain extent *take over* the *functions of the Stock exchange* by *counter-balancing* purchase and sale commissions, handing over to the Stock Exchange only commissions that do *not* counter-balance one another. This applies equally to trade in securities, i.e., to the *capital market*, and discounting operations, i.e., to the *money market*.

"As a result, the *Stock Exchange*, already greatly disorganised by the Stock-Exchange laws, is increasingly deprived of the materials indispensable for correctly fixing current prices. It is thus *further weakened*, and this can have very dangerous consequences, especially at critical times, as bad examples have proved (*note*: in the recent period one can point to the day of the outbreak of the Russo-Japanese war).

"It follows also that the Stock Exchange is steadily losing the feature which is absolutely essential for national economy as a whole and for the circulation of securities in particular—that of being not only a most exact *measuring-rod*, but also an 'almost automatic *regulator* of the economic movements which converge on it'"* (*Note*. Quotations from Riesser: *The Need for Revision of the Stock-Exchange Law*, Berlin,

* See present edition, Vol. 22, p. 219.—*Ed*.

1901), and that it is proving less and less able, to express, and control, "through price fluctuations, N.B. general public opinion on the credit-worthiness and administration of the majority of states, municipalities, joint-stock companies and corporations.

"In this way, Stock-Exchange *establishment and quotation of current prices*, which previously gave, as far as this is attainable, a faithful picture of 'economic processes nowhere else summed so reliably, and nowhere else so recognisable in their totality', consequently, a picture of *supply* and *demand*, must now lose both in accuracy and in stability and reliability, which is extremely regrettable in the public interest.

"In addition, it is to be feared that this tendency, which increasingly leads to *exclusion of intermediaries* (brokers, etc.), may produce an ever sharper *contradiction between the banks and the Stock Exchange*, and this may be very serious. This contradiction, moreover, would be expressed not only in a certain tension, already noticeable between the banks and other circles interested in the Stock Exchange, but also in the latter's most fundamental field of activity, namely, the establishment of current prices.

"Actually, today even among experts the concepts bank and Stock Exchange, which some consider, quite wrongly, to be completely equivalent, [*n o t e*: that is the view of *Eschenbach* in the *Transactions of the Union for Social Politics* of September 16, 1903: *Schriften des Vereins für Sozialpolitik*, Vol. CXIII] are in many cases termed direct opposites, which is also quite wrong" (note: cf. *Ernst Loeb* in the *Nationalzeitung* of April 18, 1904, No. 244) (p. 583) (p. 630, fourth edition).

Riesser (3rd edition 1910), p. 499: Increase in capital of the biggest (in 1908) banks

Germany*	1870	1908	1911
1. Deutsche Bank	15	200	200
2. Dresdner Bank	9.6	180	200
3. Discontogesellschaft	30	170	200
4. Darmstädter Bank	25.8	154	160
Σ (million marks)	80.4	704	
Schaaffhausenscher Bankverein	15.6	145	145
Berliner Handels-gesellschaft	16.8	110	110
ΣΣ =	112.8	959	1,015

France	1870	1908
1. Crédit Lyonnais	20	250
2. Comptoir National	50	150
3. Crédit industriel	15	100
4. Société Générale	60	300
Σ (million francs)	145	800
= mill. marks	116	640

three biggest banks: Germany: 54.6 — 550 (marks)
France: 130 — 700 (francs)
(104 — 560 (marks))

two biggest banks: Germany: 24.6 — 380 (marks)
France: 80 — 550 (francs)
(64) — (440)

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p. 367 | idem p. 398

Letters received and dispatched (number)**

1852	6,135	6,292	
1870	85,800	87,513	(Discontogesellschaft)
1880	204,877	208,240	{big Berlin bank}
1890	341,318	452,166	
1900	533,102	626,043	

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* See present edition, Vol. 22, p. 215.—*Ed.*
** *Ibid.*, p. 214.—*Ed.*

Riesser, 3rd edition, p. 693 (Supplement VIII) (p. 745, 4th edition):

Development of Concentration Within Individual Big Banks and Banking Concerns.

The *eight* big Berlin banks had*:

At end of year	Branches (offices and branches) in Germany		Deposit banks and exchange offices		Commandite operations		Constant holdings in German joint-stock banks		Total establishments	
	#		#		#		#		#	
1895	16	18 (5)	14	23 (12)	11	13 (—)	1	2 (—)	42	56 (17)
1896	18	20 (5)	18	27 (12)	11	14 (—)	1	2 (—)	48	63 (17)
1900	21	25 (5)	40	53 (17)	11	12 (—)	8	9 (5)	80	99 (27)
1902	29	33 (7)	72	87 (35)	10	11 (—)	16	16 (5)	127	147 (47)
1905	42	46 (8)	110	149 (44)	8	12 (1)	34	34 (11)	194	241 (64)
1908	—	69 (10)	—	264 (73)	—	12 (2)	—	97 (31)	—	442 (116)
1911	104	104 (9)	276	276 (93)	7	7 (2)	63	63 (15)	450	450 (119)

p. 747
4th edition

[N.B. The 3rd edition deals with *eight* banks, the 4th edition with *six*.]

Figures from the *4th* edition, p. *745* (for *six* banks: Darmstädter Bank; Berliner Handelsgesellschaft; Deutsche Bank; Discontogesellschaft; Dresdner Bank and Schaaffhausenscher Bankverein).

(*in brackets, figures for* the Deutsche Bank)

N.B. Deutsche Bank. **Turnover:**

(million marks)

1870	1875	1885	1895	1905	1908	1911
239	5,500	15,100	37,900	77,200	94,500	112,100

These *eight* banks include, firstly, **five** banks which form "groups": Darmstädter Bank (Bank für Handel und Industrie), Deutsche Bank, Discontogesellschaft, Dresdner Bank and Schaaffhausenscher Bankverein,—and then the *three* following banks: Berliner Handelsgesellschaft, Commerz- und Disconto-Bank, National Bank für Deutschland.

* See present edition, Vol. 22, p. 213.—*Ed.*

Here are these "groups" [common-interest associations] of the (five) banks and their "capital strength" (p. *484* et seq.).

			banks	(p. 520)	Million marks	Million marks	Swallowed up: private bank offices	Swallowed up: banks
1. Group	D.B.	Deutsche Bank . .	12	929.5 1,266.4[1])	786.8	1,045.4[1])	31	21
2. "	D.G.	Disconto-gesell-schaft . .	6	662.6	—	564.7	23	8
3. "	Dr.B.	Dresdner Bank	8	321.3	—	285.7	7	1
4. "	S.BV	Schasff-hausen-scher Bank-verein . .	4	209.9	—	278.5	11	6
5. "	Dm.B. my ab-brevi-ations	Darmstädter Bank (Bank für Handel und Industrie)	5	260.6	—	297.4	17	7
5.			35	2,720.7 {2,750 million}		ΣΣ 2,471.7 i.e. almost 2,500 *million* marks	89* p. 500	43

N.B. This includes *only* share capital and reserves, i.e., only the banks' *own* money, *not borrowed* money.

[1]) This includes "associated banks".

* In the manuscript the total "89 private bank offices" is connected by an arrow with the same figure in the following table ("Concern Banks") (see p. 352 of this volume).—*Ed.*

p. 537

on September 30, 1911

Swallowed up:

	Private bank offices	banks
Dm.B.	— 8	— 3
D.B.	— 45	— 30
D.G.	— 61	— 11
Dr.B.	— 2	— 1
	116	45

p. 697

41 banks in concerns of the five groups

41 concern banks belonging to the five big-bank groups had, on December 31, 1908:

		on October 1, 1911
branches	241	285
agencies	325	377
commandite banks	18	21
deposit banks	102	126
swallowed up: private bank offices	89	116
swallowed up: banks	43	45
common-interest associations based on possession and exchange of shares	16	20

In all, the big banks and their concerns, taken together, had by December 31, 1908, swallowed up 164 private bank offices + 60 banks; *N.B.* (p. 500).

In Great Britain in 1899 there were 12 banks with *100* or more branches; altogether there were *2,304* branches ("Niederlassung").

In 1901 there were 21 banks with *100* or more branches; altogether there were *6,672* branches (p. 521) (p. 558). "At the beginning of 1905, a single bank, the London City and Midland Bank, had *447* branches, i.e., 257 *more* than the big Berlin banks and *52* provincial banks affiliated with them at the end of *1904*; on December 31, 1907 (#), according to *The Economist*, the British Joint-stock banks, then numbering only 74 (exclusive of colonial and foreign banks), of which 35 had the right to issue banknotes, had not less than *6,809* branches and sub-branches" (522).

N.B.

Riesser continued

(#) Fourth edition (p. 558): "On December 31, 1908, deposit banks in Great Britain and Ireland, numbering then 63, had not less than *6,801* branches and sub-branches. Towards the end of 1910 the number of branches was *7,151*. At this time, *four* banks in England and Wales had more than *400* branches each, viz.:

London City and Midland Bank . .	689 (315 in 1900)
Lloyds Bank	589 (311 " ")
Barclay & Co.	497 (269 " ")
Capital and Counties Bank	447 (185 " ")

"Four other banks had more than 200 branches each and eleven (20, including Scottish and Irish) had more than 100 each"* (p. 559).

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* See present edition, Vol. 22, p. 213.—*Ed.*

In *France*, the number of agencies and branches (p. 522) (p. 559) was:

Banks	1894 Paris and suburbs		1894 Provinces	1908 Paris and suburbs		1908 Provinces	1908 Abroad (and Algeria)
Crédit Lyonnais	27	—	96	62	—	175	20
Comptoir d'Escompte	15	—	24	49	—	150	—
Société Générale . .	37	—	141	88	—	637	2

As regards **colonial** *banks* (nearly all founded by the Berlin big banks), Riesser's summary is as follows (additions for 1910 from the fourth edition, p. *375**):

N.B. "At the end of the nineties there were only four *German overseas* banks; in 1903 there were six with 32 branches, and at the beginning of *1906* there were already *13*, with not less than 100,000,000 marks and more than *70* branches.

"This, however, is relatively insignificant in comparison with the successes of other countries in this field: already in 1904, *Great Britain*, for example, had *32* (1910: 36) colonial banks with headquarters in London and *2,104* (1910: 3,358) with headquarters in the colonies, and also *18* (1907: *30*) (1910: 36) other British banks abroad with *175* (2,091) branches. Already in 1904-05, *France* had 18 colonial and foreign banks with *104* branches; *Holland* had 16 overseas banks with *68* branches" (p. 346).

Thus: *72—5,449*		1910	1904
	Germany.	13— 70	
	Great Britain	50— 2,279	
	France.	18— 104	
	Holland	16— 68**	

The first figure shows the number of colonial and foreign banks in general, the second—the number of their branches (or of individual banks in the colonies).

* Round brackets in the text indicate additions made by Lenin from the fourth edition of the book (p. 375). They were written in between the lines, above or below the figures to which they refer.—*Ed.*

** See present edition, Vol. 22, p. 245.—*Ed.*

"Supplement VII" (p. 666 et seq.) contains a list of companies and banks in the big-bank "concerns", from which I take **foreign** banks:

Sphere (location of branches)	(Number of branches)	Location of bank	Name of bank	Capital *million* marks (etc.)	*Berlin big* bank which founded it or has holdings in it
	(—)	Amsterdam	Die Amsterdamsche Bank	6 florins	Darmstädter Bank
China, Japan, India, etc.	(12)	Shanghai	Deutsch-Asiatische Bank	7.5 taels	Darmstädter Bank+Berliner Handelsgesellschaft+Deutsche Bank+Discontogesellschaft+Dresdner Bank+Schaaffhausenscher Bankverein
Italy	(33)	Milan	Banca Commerciale Italiana	105 lire	Darmstädter Bank+Berliner Handelsgesellschaft+Deutsche Bank+Discontogesellschaft+Dresdner Bank
(? Belgium)	(—)	Brussels	Banque internationale de Bruxelles	25 francs	Darmstädter Bank+Berliner Handelsgesellschaft+Discontogesellschaft+Schaaffhausenscher Bankverein
(? Great Britain)	(—)	London	Bankers Trading Syndicate	£ 0.1	Darmstädter Bank
Rumania	(—)	Bucharest	Banka Marmorosch Blank	10 lei	Darmstädter Bank+Berliner Handelsgesellschaft
(? America)	(—)	?	Amerika-Bank	25 marks	Darmstädter Bank

Continuation

Sphere (location of branches)	(Number of branches)	Location of bank	Name of bank	Capital *million* marks (etc.)	*Berlin big* bank which founded it or has holdings in it
(?Great Britain)	(—)	London	London and Hanseatic Bank	£0.4	Common- und Disconto-Bank
(South America, etc.)	(22)	Berlin	Deutsche Überseeische Bank	20 marks	Deutsche Bank
East Africa	(?)	Berlin	Aktiengesellschaft für Überseeische Bauunternehmungen	2 marks	Deutsche Bank
Central America	(?)	Berlin	Zentral Amerika-Bank	10 marks	Deutsche Bank
Mexico	(2)	Mexico	Mexikanische Bank für Handel und Industrie	16 pesos	Deutsche Bank
Polynesia	(2)	Hamburg	Deutsche Handels- und Plantagen-Gesellschaft der Südseeinseln	2 ¾ marks	Discontogesellschaft
New Guinea	(?)	(?)	Neu-Guinea-Kompagnie	6 marks	”
Brazil	(5)	Hamburg	Brasilianische Bank für Deutschland	10 marks	”

Chile and Central America	(9)	Hamburg	Bank für Chile und Deutschland	10 marks	Discontogesellschaft
Rumania	(2)	Bucharest	Banca generala Romana	10 lei	"
Belgium	(?)	Antwerp	Compagnie commerciale belge	5 francs	"
German Africa	(15)	(?)	Deutsch-Afrika Bank	1 marks	"
Bulgaria	(?)	Sofia	Banque de Crédit	3 leva	"
German West Africa	(4)	Berlin	Deutsch-Westafrikanische Bank	1 marks	Dresdner Bank
Asia Minor, Turkey, Salonica, etc.	(12)	Berlin	Deutsche Orientbank	16 marks	Dresdner Bank+National-Bank für Deutschland+Schaaffhausenscher Bankverein
South America	(3)	Berlin	Deutsch-Südamerikanische Bank	20 marks	Dresdner Bank+Schaaffhausenscher Bankverein

Connection Between the ***Banks and Industrial*** Enterprises (p. 383) (***according to Jeidels***) (1895-1903)

Number of industrial stock issues by years									
	p. 307				Number of companies for which these stock issues were made	Bank offices at industrial enterprises (p. 284)	(p. 306)	(p. 463) Number of industrialists on bank supervisory boards [1]	
p. 413	Σ for seven years								
1895-1910	1904-1910								
		My abbreviations		Number of industrial stock issues	p. 414 1895-1910	(1903-04)	(1911)	(1908)	(1910) (p. 501)
424	204—	Dr. B.	Dresdner Bank	—220	—181 —368	—191	—504	—11	—8
361	174—	S. BV.	Schaaffhausenscher Bankverein . .	—187	—207 —364	—211	—290	—19	—17
312	142—	B. HG.	Berliner Handelsgesellschaft . .	—170	—149 —281	—95	—153	—15	—13
302	151—	D. G.	Discontogesellschaft	—151	—154 —290	—111	—362	—4	—2
456	306—	D. B.	Deutsche Bank . .	—150	—139 —419	—250	—488	—4	—5
314	166—	Dm. B.	Darmstädter Bank	—148	—140 —285	—161	—313	—4	—6*

[1]) Including the directors of the *Krupp* firm (Dr. B.); *Hapag* and *Norddeutscher Lloyd* and Gelsenkirchener Bergwerks Aktiengesellschaft (D. Ges.); *Hibernia*; *Harpener* Aktiengesellschaft, *Oberschlesische* Eisenindustrie Aktiengesellschaft and others (B. H. Ges.), etc.

* See present edition, Vol. 22, pp. 220-21.—*Ed.*

(Apparently incomplete data) Number of overseas banks founded by the big banks (list in *Riesser*, p. 327 et seq.) (p. 354 et seq.)

Σ		D.B.	D.G.	Dr. B.	Dm.B.	B.HG.	S.BV.	N. B. f. D.	Total
11	1880-89	3	3	1	1	1	1	1	11
22	1890-99	4	6	2	2	2	4	2	22
24	1900-04	3	3	1	—	—	—	1	8
	1905, 1906-08	2	3	5	1	1	3	1	16

Not the whole decade, up to 1908-09.

R. E. May (in *Schmoller's Jahrbuch*, 1899, p. 271 et seq.) (p. 83) distribution of national income in Germany			(p. 82) data of Finance Minister Rheinbaben Prussia 1908			(pp. 99-100) in Germany	
	Number of people (mill.)	Income thous. mill. marks	Number of people (mill.)	%	*Tax* mill. marks %	Number of joint-stock companies	Their capital (thous. mill. marks)
up to 900 marks	18 1/3	12 3/4	17.9=47.22	0			
900-3,000	3 2/3	6 1/2	16.2=42.54	83.7=34.26		1883—1,311	—3.9
> 3,000	1/3	5 3/4	1.9= 5.50	66%*		1896—3,712	—6.8
	Σ= 22 1/3	25	36.0	95.26		1900—5,400	6.8 (7.8)
Gainfully employed population	N.B.		> 9,500 marks *0.87*% of population *43*% of tax			1908—6,249	—9.4

* So given by Riesser.—*Ed*.

Riesser gives list, not table. Supplement IV

Number of Industrial and Commercial *Companies* with Bank *Representation on Supervisory Boards*

Industries:

Banks	Mining, iron and steel, salt works	Quarrying	Metalworking	Machines and instruments [1]	Chemical	Soap, oil, etc.	Textile and leather	Paper	Pulp	Food	Trade	Insurance	Transport	Foreign companies	Building	Hotels and Restaurants	Rubber	Art products	Plantation companies	Exhibitions	Total
Darmstädter Bank	9	4	2	15	3	2	5	2	1	7	24	3	9	6	—	—	—	—	—	—	
Berliner Handels-gesellschaft	18	1	8	10	4	1	—	—	—	3	16	—	9	17	1	—	—	—	—	—	
Commerz-und Disconto-Bank	1	2	2	7	1	—	1	—	—	3	7	2	3	1	1	1	—	—	—	—	
Deutsche Bank	13	1	3	24	1	4	6	1	—	3	28	8	6	13	2	—	1	2	—	—	116
Discontogesell-schaft	13	2	2	8	5	2	—	—	—	1	29	2	4	21	—	—	—	—	2	1	
6) Dresdner Bank	10	2	3	14	1	—	2	1	—	2	29	3	11	8	—	1	—	—	—	—	
National-Bank für Deutschland	13	4	3	18	2	3	1	—	—	7	21	1	9	6	2	—	—	4	2	—	
8) Schaaffhausenscher Bankverein	18	2	4	15	2	1	4	—	—	1	20	1	16	6	3	—	—	1	—	—	
Total	95	18	27	111	19	13	19	4	1	27	174	21	67	78	9	2	1	7	4	1	

140 +111 +83 +174 +166 +24 =698

[1]) including *electrical* industry.

"According to Board of Trade estimates for 1898, *Great Britain's* total *income* from *bank and other operations* amounted during that year to £18 million (i.e., about 432 million kronen)" (p. 399) (p. 431).... "'Allegedly' more than 6,000 million marks of European annual overseas trade payments go through Great Britain".... [p. 431, 4th edition]

income from banking operations !!! 450 million francs.

Britain's annual *income from shipping* is *1,800* million marks; *Germany's* is 200-*300* million marks (p. 400) (p. 432 idem).

1907 poll on bank employees in Germany: replies from 1,247 firms with 24,146 employees (p. 579) (p. 626)

	Number	Age of employees (years)	Average salary (marks)	Average salary, all private employees
264 joint-stock banks	16,391	20-39	1,459-3,351	1,467-2,380
708 private banks	5,938	40-54	3,638-4,044	2,413-2,358
275 co-operative banks	1,817	55-70	3,899-2,592	2,264-1,879

"The number of *clearing* accounts increased from 3,245 in 1876 to 24,821 (24,982) in 1908 (1910), but, apart from state bank offices, they are mainly handled by *big commercial* and *industrial houses*, so that clearing operations by the State Bank have retained a *somewhat plutocratic character*" (122) (p. 131).

N.B.

In 1907, the average amount of each account (State Bank) = 24,116 marks. Turnover = 260,600 *million* marks, 354,100 million in 1910 (p. 132). The postal cheque turnover (1909) = 23,847 owners of accounts and 49,853 in 1910, and their property = 94 million marks (p. 132).

Total Clearing House Transactions (p. 123)
(*thousand million* marks)

	1884	1908	1910
Germany	12.1	45.9	54.3
France	3.3	21.3	23.7
Great Britain	118.5	260.1	299
U.S.A.	143.2	366.2	422

In Germany cheques and cheque-clearing operations are less developed than endorsements

Total turnover of the State Bank in Germany
1908 = *305,250* million marks
1910 = 354,100 " "

Number of **cartels** in Germany
(p. 137) 1896 about 250
(p. 149) 1905 " 385

involving about 12,000 firms*

Deposits (in all banks) and in *savings banks, thousand million* marks (pp. 162-63)

	Germany		
including savings	9	1900	about 10
bank deposits	13	1906	15.5
	1909—15½		

Great Britain	(1903-05)	— —	10.5
U.S.A.	(1905)	— —	47 (59 in 1909)
France (only bank deposits)	(1905)	— —	4
Germany (only bank deposits)	1900	— —	1
	1906	— —	2.5
Great Britain (only bank deposits)	(1905)	— —	6.25
U.S.A. (only bank deposits)		— —	15

N.B. "The above data show that, even now, German deposits are not of major importance, compared with those of Great Britain and the U.S.A., and appear equally to lag considerably behind those of France" (164) (idem 177).

* See present edition, Vol. 22, p. 202.—*Ed.*

Riesser, p. 354 (p. 384):

"The progress of the preceding period (1848-70), which had not been exactly slow, compares with the rapidity with which the whole of Germany's national economy, and with it German banking, progressed during this period (1870-1905) in about the same way as the speed of the mail coach in the good old days compares with the speed of the present-day automobile ... which is whizzing past so fast that it endangers not only innocent pedestrians in its path, but also the occupants of the car"....*

N.B.

And alongside the above, in the very next sentence, *Riesser*, this bourgeois vulgarian (essentially an out-and-out philistine) and lackey of the money-bags, sees the guarantee of "public security" and "real progress" in the "*greatest virtue*" of the leader: *moderation*!!!

And on the next page (355—p. 385) he admits that banks are ... "enterprises which, by their very functions and development, '*are not of a purely private-business character*',[1]) but are more and more outgrowing *the sphere of purely private-business regulation*".**

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[1]) From Riesser's speech as president of the first all-German bankers' congress in Frankfurt-am-Main, September 19-20, 1902.

But this admission does not prevent this bourgeois idiot from writing:

"The other consequence, too, predicted by the socialists, of the process of concentration, that it is bound to lead finally to the *socialisation of the means of production*, which the socialists aim at and which is to be realised in the 'state hail of the future', has not come true in Germany, and is hardly likely to come true later on"*** (p. 585) (p. 633).

!!ha-ha!! "refutation...."

* Ibid., p. 300.—*Ed.*
** Ibid., p. 302.—*Ed.*
*** Ibid.—*Ed.*

(The Deutsche Bank **alone** has a *turnover of 94,500 million* marks (p. 361) (112,100 million in 1910, p. 391), has connections with a group of 12 banks, controls a capital of *1,000 million* marks—the capital of this group and "affiliated" banks—has swallowed up *52* banks, has 116 branches, bank offices, etc., in Germany—has seats on the Supervisory Boards of *120* trading and industrial companies, etc. And this is *not* "socialisation"!!)

Deutsche Bank:

Own capital = 200 million marks + 100 million reserves
turnover = 94,500 million marks
gross profit = 55 million marks (1908) (p. 352)
= 62.9 " " (1910) (p. 382).

The number of bank employees in the **Deutsche Bank** was *4,860* (1908)—p. *578* ((in 1895, there were 7,802 employees in *66* banks with 50 or more employees, ibidem)).

In discussing merchant shipping and its development in Germany on p. 114 et seq., Riesser notes the following:

H.-A.P.A.-G. (Hamburg-America), capital (1908) 125 million marks (+76 million in bonds), 162 ships (value 185.9 million marks).

North German Lloyd, capital (1908) 125 million marks (+76 million in bonds), 127 ships (value 189.1 million marks). 125 + 76 = 201.

> "In *1902-03*, both these companies concluded essentially identical agreements with the *International Mercantile Marine Co.*, founded by American bankers and shipowners on January 1, 1903, with a capital of 120 million dollars (= 480 million marks), and embracing nine American and British lines" (p. 115). This is the so-called *Morgan trust*.
>
> Content of the agreement: division of profits and **division of the world** (German companies would not compete in Anglo-American freight traffic; agreement stipulated which ports were to be used by each, etc., etc.). A *joint control committee* was set up. The agreement was for twenty years (terminable after a year's notice).

It was to be annulled in the event of war (p. 116, end) (p. 125, 4th edition).* And this is not "socialisation"!!

"As regards the *Reichsbank*, according to the information given by the Bank Enquiry Commission (p. 179), on September 1, 1906, the number of German firms and individuals *generally solvent* in their *dealings with bills of exchange* was *70,480*":

viz.:

a) merchants and trading companies	29,020	= 41%	N.B. insignificant number solvent
b) industrialists and industrial companies	21,887	= 31	
c) agriculturists and agricultural craft and factory enterprises . . .	9,589	= 14	
d) co-operatives of all kinds	883	= 1	
e) rentiers, artisans and similar craftsmen . .	9,101	= 13	
	70,480	100	

p. 194 idem

(Düsseldorfer) Stahlwerkverband founded March 30, 1904 (for three years and prolonged on April 30, 1907 for a further five years). Its output in 1904 was 7.9 million tons (p. 141) (p. 153).

On November 28, 1904, it concluded an agreement on *export of rails* between Great Britain 53.5%, Germany 28.83%, France and Belgium 17.67% (+ France 4.8-6.4%. ΣΣ = 104.8, 106.4%) (p. 147) (p. 159).

Rail cartel

Now, after the *United States Steel Corporation joined the cartel*, Germany's share = 21%

Cartel for sale of girders (export of girders)—shares:

Germany 73.45%
France 11.50%
Belgium 15.05%

Division of the world

* See present edition, Vol. 22, p. 251.—*Ed.*

"In February 1909 there was formed also the Internationaler *Zinkhüttenverband* (p. 159) at first until December 31, 1910, and afterwards prolonged, evidently for three years. There are three groups (according to the geographical location of the factories). Group A—all German and some Belgian plants, group B—ten Belgian, French and Spanish plants, and group C—British plants. Out of the total European output, about 513,000 *tons* in 1908, Germany's share at that time was put at 226.9, Belgium's—165, France's and Spain's together—55.8, Great Britain's—54.5. Member plants accounted for about 92 per cent of the total European output.

N.B.

"Under recent arrangements member companies can increase production at will, irrespective of fixed production quotas, with the proviso, however, that if stocks at a definite date (March 31, 1911, is the initial date) are 50,000 tons or more, then, under definite conditions, output must be cut by a certain percentage, in accordance with the company's production quota" (p. 160, 4th edition).

N.B.

Banks unite into groups (or consortiums) for especially large-scale undertakings:

I. a) Prussian Consortium—in 1909 28 banks (p. 310).
b) State Loan Consortium— 29 " (p. 311).
c) Rothschild group—in 1909 13 " (p. 312) (including the three Rothschild firms—Vienna, London and Paris).
2. Group for Asiatic business operations,
etc.
etc.

"*The political patrol clashes* are fought on the *financial* field. But the moment for these financial clashes, the opponents, and the mode of fighting, are determined solely by the country's responsible foreign policy leadership" (p. *402*) (p. 434).

N.B.

French capital in Tunisia and Morocco
" " " Russia

French capital in Italy (the beginning of political rapprochement *through* financial rapprochement)
German " " Persia (struggle against Great Britain)
the struggle of European finance capital groups over Chinese and Japanese loans
French and British capital in Portugal and Spain, etc. (p. 403).*

{ First edition of Riesser's book, preface dated July 4, *1905* }

Bills of exchange turnover in Germany (computed from the tax on bills) increased from *12,000 million* marks in 1885 to *25,500* million marks in 1905, and to *31,500 million* in 1907 (p. 228)—and to *33,400 million* in *1910* (p. 246).

Germany's national wealth (Mulhall 1895: *150,000 million*) 130,000—216,000 million (Riesser): *200,000* million marks (p. 76) (Steinmann: *350,000*).
Germany's national income *25,000-30,000 million* marks (p. 77).
France's national wealth: Mulhall (1895)—198,000 million marks; Foville (1902)—161,000; Leroy-Beaulieu (1906)—*205,000*; Théry (1906)—*161,000*.
National income = 20,000 million marks (Leroy-Beaulieu) (p. 78).
Great Britain: *204,000* million marks (Giffen 1885)—235,000 (Mulhall 1895), *228,000* (Chiozza-Money 1908).
United States: national wealth = *430,000* million marks (1904, Census Bureau).
In Germany, "about 1,200 million marks, i.e., about ⅓ of the yearly savings of the nation, is annually invested in securities" (p. 81)—(p. 86 *idem*).

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* See present edition, Vol. 22, p. 296.—*Ed.*

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N.B. [preface by A. Wagner. *R i e s s e r* is very angry with state socialist Wagner!!]
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L. Eschwege, "Revolutionising Tendencies in the German Iron Industry", *Die Bank*, 1909, April.

J. Cockburn Macdonald, "The Economic Effects of the Concentration of Capital in Few Hands", *The Institute of Bankers*, 1900, October. N.B. (?).

N.B. p. 70 et seq. (abbreviated)
Tabular survey of outstanding events affecting the development of German banking in the second epoch:

1871-72: end of the war. Five thousand million. "Stormy" advance....
"The beginning of industrial cartellisation"....
1873. Crisis.
1874-78. Depression.
1879-82. Economic boom. Promotion of bubble companies.
1879. Gold currency. (Union with Austria.)
1883-87. Depression (1887. Union with Italy.)
1888-90. Boom. Promotion of bubble companies. Speculation.
1891-94. Depression.
1891. Failure of many Berlin banks.
1895. Beginning of boom.
1890-97. Boom intensified. Rapid development of electrical industry.
1897. Formation of the Rhine-Westphalian Iron Syndicate.
1898-1900. Favourable business conditions.
1899. Climax of reconstructions, formation of new companies and issues of stock.
1900-01. Crisis. Drop in mining securities, failure of many banks. "Vigorous intervention of the big banks. Intensified concentration"....
1901-02. "Prolonged and particularly marked demand for money" ... foundation of the United States Steel Corporation.
1902-06. "Revival."
1904. Foundation of the Stahlwerkverband. Stormy development of concentration.
1907. American crisis. Bank rate increased to 7½ per cent.

1908. End of acute crisis in America. "Revival." Money liquidity.
1909. Intensified money liquidity, etc.
1910. Progressive improvement... (4th edition, p. 78).

N.B. 1895-1900 "for the first time excess of immigration" N.B. (p. 75). N.B.

New literature

N.B. Dr. Max Augstin, *The Development of Agriculture in the United States*, Munich, 1914 (4 marks).

W. Wick, *The Little Mercury*, Zurich, 1914. (416 pp.) ("Commercial handbook").

In the fourth edition, Riesser has this on *foreign* investments (capital invested abroad) (p. 426 et seq.):

Germany (1905), at least 24-25 *thousand million* marks (this now "undoubtedly" "greatly exceeded", p. 436, end), including *16 thousand million* marks in foreign securities....

"Of the total securities owned by **France**, estimated by Edmond *Théry* (*Economic Progress in France*... p. 307) at the end of 1906 at 100 *thousand million* francs, and *Neymarck* in 1906 at 97-100 *thousand million* francs (with a yield of 4½ *thousand million* francs), at the end of 1908, according to Théry, about *38½ thousand million* wore in foreign securities.

"The estimates vary widely, of course, but an annual increment of *at least 1,000 million* francs is generally accepted. Henri *Germain*, former director of the Crédit Lyonnais, estimated this annual increase (in the years immediately preceding 1905) at *1,500 million* francs; Paul Leroy-Beaulieu recently even put it at *2,500 million* francs.

"The well-known British financial policy expert, *Sir Edgar Speyer*, in a lecture at the Institute of Bankers ('Some Aspects of National Finance') on June 7, 1900, estimated total *British* investments abroad at £*2,500* million, i.e., about *50,000 million* marks, with an annual yield of £110 million (×); his estimate for the end of

1910, in a lecture in the Liberal Colonial Club, is £*3,500* million, or about 70,000 million marks.

"This corresponds approximately to *George Paish's* estimate for 1907-08, about £2,700 million, i.e., about 54,000 million marks, nearly equally divided between India and the colonies (£1,312 million), and other foreign countries (£1,381 million). The same author gives the figure of £3,192 million, or about *64,000* million marks, for the end of 1910, and in a lecture to the Royal Statistical Society he estimates the 1911 income from British investments abroad, on the basis of the yearly Reports of the Commissioners of Inland Revenue, at approximately £180 million which, however, Sir Felix *Schuster* in a discussion on *Speyer*'s lecture of May 27, 1911, regards as too high" (p. 427).

N.B. (×) "Incidentally, in this lecture he validly emphasised that intensified export, increased issues of foreign securities and a big economic boom are only different manifestations of the same phenomenon. One section of the second lecture is headed: Export of British Capital, Chief Cause of the Empire's Prosperity" (p. 428).

NOTEBOOK "ι"
("IOTA")

Contents

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LIEFMANN, *HOLDING AND FINANCING COMPANIES*

Professor Dr. Robert Liefmann, *Holding and Financing Companies*, Jena, *1909* (A Study of Modern Capitalism and Securities) (x + 495).

[cf. especially p. *11* of the extracts]

((The author is a double-dyed idiot, who makes a great fuss about definitions—very stupid ones—all revolving around the word "substitution". His factual data, however, mostly quite raw, are valuable. Opponent of the labour theory of value, etc., etc.))

pp. 104-449: "Descriptive part." The theoretical part = nonsense

p. 9: Against Sombart for following "wholly in the wake" of the Ricardo-Marx labour theory of value.

number of shareholders

p. 33: "In Prussia, the number of *share*-holders is only 2 per cent of the population." There are more in Britain and America. "According to the estimate for Prussia in the 1909 Bill for taxation of joint-stock companies, the average shareholding in Prussia is not even 10,000 marks. These holdings are distributed among approximately *700,000 persons*. All such estimates, however, are very unreliable" (34).

"There are no general *statistical* data at the present time on the spread of stock capital.... *Philippovich* (*Outline*, 7th edition, p. 164) estimates that 40 per cent of the British national wealth is in 'securities' (i.e., stocks and, mortgages). *Schmoller* (statistical supplements to the Minutes of the Stock-Exchange Enquiry Commission, 1892-93) estimated in 1892 that about one-quarter of total Prussian capital, nearly 16,000-20,000 million marks, was invested in securities. Sombart (*The German National Economy in the Nineteenth Century*, p. 224) puts the stock capital of Germany in 1900 at 31,000-32,000 million marks" (37). "Today this figure is definitely too low; German stock capital should be put at 45,000-50,000 million marks, which nevertheless is only about one-fifth of the country's national wealth, estimated at 250,000 million marks" (37).

In America (×) the national wealth in 1904 was 107,000 million dollars. About one-third was stock capital. "For Great Britain he (×) gives the stock capital as 26,000 million dollars, for France—19,500 million dollars. The figure for the whole of Europe is about 75,000 million dollars" (38).

(×) *Charles A. Conant*, "The Concentration of Capital in New York and Those Who Manage It", *Bankers' Magazine*, November 1907 (quoted, p. 38). N.B.

Thus:

Stock capital	America	35 thousand million dollars				
	Great Britain	26	"	"	"	58.0 75
	France	19.5	"	"	"	
	Germany	12.5	"	"	"	58
		93.0	*difference*			17

× 5 = 465,000 million francs

[but Neymarck reckons *600,000* million]

44: ..."extraordinary *interweaving* of all economic interests".

51: The Union (mining, etc., joint-stock company in *Dortmund*) ((see also Stillich α pp. *38* and *41**)). Formed in 1872. "Share capital was issued to the amount of nearly 40 million marks in 1872 and the market price rose to 170 per cent after it had paid a 12 per cent dividend for a year. After that, however, no dividends were paid until 1880, and already in 1875 the first of the reconstructions had to be undertaken, which since then were repeated in almost every period of unfavourable market conditions.... And every time the chief sufferers were the original shareholders."** 170% (12%-0%) N.B.

"Even companies *founded* with other aims than these ('speculation in stocks') in fact often *go over* more or less exclusively to speculation in stocks. This may happen partly because the shareholders do not pay enough attention to the activity of their directors, and partly because in this respect they are deceived by the latter" (67). N.B. N.B.

* See pp. 52-63 of this volume.—*Ed.*

** See present edition, Vol. 22, p. 235.—*Ed.*

71: In different countries, *different types* of companies predominate:

In America—*control* over other companies.
" Germany—*take-over* (Übernahme) companies.
" France—capital investment companies.
" Holland ("as a rentier state", p. 71)—ditto.
Belgium—à la Germany.
Great Britain—investment trusts....

Jeidels, *Relation of the German Big Banks to Industry*, Leipzig, 1905.

Dr. Riesser, *On the History of the Development of the German Big Banks*, *with Special Reference to Concentration Trends*, 1906.

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p. 117—one of many examples of shareholding by the Belgian Société générale (December 31, 1906—shares and bonds amounting to 198 million francs, a host of companies).

p. 136-37. One example:

an example of speculation: The London and Colonial Finance Corporation, "with a paid-up capital of only £21,745 in 1890 obtained a net profit of £80,567 = **370** per cent of capital and paid a 100 per cent dividend."

Capital investment company (Kapitalanlagegesellschaft)—

—Aktiengesellschaft für rheinish-westphälishe Industrie. Founded *October 1871* (p. 156).

good example:

Dividend:

1872	35%	—35!!
1873-1883	0	— 0
1884-1895	3-9%	
1896-1899	10-21%	
1900	60%	60
1901-02	0	0
1905-06	40%	40
1907-08	6-4%	

N.B. N.B. !!

Dr. Emil Wolff, *The Practice of Financing*, *etc.*, Berlin, 1905.

Francis Cooper, *Financing an Enterprise*, Two vols., New York, 1906.

Edward Carroll, *Principles and Practice of Finance*, 1902 (New York).

W. Lotz, "The Technique of Securities Issues". In *Schmoller's Jahrbuch*, 1890, p. 393 et seq.

"Thus nothing has come of using capital investment companies 'to ensure small owners the profitability of the big' (×)" (163).

p. *64*: "Louis Hagen, the Cologne banker, sat on the Supervisory Boards of 35 firms; the Deutsche Bank, according to Jeidels (××), had its directors on the Supervisory Boards in 101 companies, and its own Supervisory Board members in 120 companies" (p. 64). || N.B.

(×) *Jörgens*, pp. 45-46.

(××) *Jeidels*, *Relation of the German Big Banks to Industry*, 1905.

Various companies repeatedly issue stock for one and the same assets.

Example (American)... "their (railway companies') assets appear repeated five times over in the stock of the companies directly or indirectly controlling them" (182). || N.B. five times repeated!!

Ch. A. Conant, "The Tendencies of Modern Banking" (*Bankers' Magazine*, 1905).

The Northern Pacific Railway Co. Capital = 80 million dollars of foundation shares. Struggle between Harriman and *Hill*. *Hill* acquired foundation shares to the amount of 15 million. "This 'raid' forced up the market price of Northern Pacific shares nearly 1,000 per cent.... On May 9, 1901, there was a crisis on the Stock Exchange, ruining a large number of smallholders, while the chief participants, according to Harriman's testimony, suffered no losses through this manipulation" (184). || 1,000% and crisis

(my italics) N.B. Liefmann's italics

"With the further development of stock capitalism, the methods of *fleecing the public* of large *sums of money* and diverting it into one's own pockets have become more *subtle*. Today the method is to *form*, *and graft on one another new companies*, to which one and the same material assets are sold or leased; these assets pass from one company to another" (180).

The Standard Oil Company was founded in 1900.

N.B. N.B.

"It has an authorised capital of $150,000,000. It issued $100,000,000 common and $106,000,000 preferred stock. From 1900 to 1907 the following dividends were paid on the latter: 48, 48, 45, 44, 36, 40, 40, 40 per cent in the respective years, i.e., in all $367,000,000. From 1882 to 1907, out of total net profits amounting to $889,000,000, $606,000,000 were distributed in dividends and the rest went to reserve capital"* (212).

N.B.

"In 1907 the various works of the United States Steel Corporation employed no less than *210,180* people (1908—165,211).... The largest enterprise in the German mining industry, Gelsenkirchener Bergwerksgesellschaft, in 1908, had a staff of *46,048* workers and office employees, and 43,293 in 1907"** (p. 218).

(new technique *500%* dividend....

Internationale Bohrgesellschaft (in Erkelenz).... "Founded in order to apply the drilling method invented by engineer Anton Raky... (235)... the company paid a 500 per cent dividend in each of the years 1905-06 and 1906-07" (236).

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* See present edition, Vol. 22, p. 203.—*Ed.*
** Ibid.—*Ed.*

"In fact, experience shows that it is sufficient to own about 40 per cent of the voting shares of a company in order in normal times to direct its affairs"* (258). Further, there are also (especially in America) "non-voting shares" (259), bonds, etc., and if these are shares of a *company* controlling a number of other companies, then "he [the capitalist], with his own capital of five million dollars can control a capital 40-50 times as great" (259). N.B.

...and even "an amount of capital" "80-100 times as great" (as he owns) (260)....

"In Germany and other leading countries the trade in metals, other than iron, especially copper and zinc, also rare metals, is extremely concentrated" (301) ... "small number of firms" (mostly in private hands)....

..."very many German gas works of the earlier period were built by British firms and with British capital"... (321)....

..."only a comparatively few people have achieved virtuosity in this sphere" (355)—in financial matters, etc. ha-ha!!

..."The Swiss Credit Institute administers it [the Zurich Electrical Development Bank] for the 'Bank' is not an institution or office but, like all companies of the kind, is, so to speak, a large portfolio in which its securities and a few business books are kept" (376)....

Allgemeine Elektrizitäts Gesellschaft (A.E.G.)
—shares — 100 million marks
bonds — 37 " "
"securities owned" — 23 million marks, etc.

South African gold mines. "The huge profits, particularly in the late eighties and early nineties prompted British capital, and also, especially, French, as well as German, Belgian and Dutch, to acquire shares in the mines.... Share prices

* Ibid., p. 228.—*Ed.*

N.B. jacked up, reaching their peak in the 'boom', which ended in 1895. The decline in mining securities was further increased by the Transvaal war"... (414).

N.B. N.B. "The more **developed** an economic system is, the more it resorts to **risky** enterprises, or enterprises in other countries, to those which need a great deal of time to develop, or finally, to those which are only of local importance.* Hence, special financing companies have been established in these fields, for enterprises requiring a long time for development, for example, railway and mining enterprises"... (etc.) (434).

N.B.

[The more developed, the more risky... N.B.]

N.B. Schulze-Gaevernitz repeats this *almost word-for-word* in an article "*Banking*", p. *21*. (Book III. *Principles of Social Economics*, Section V, Part II.)

N.B. "Especially if, as in the case of American controlling companies, real activity is centred in the subordinate companies, the parent company being no more than the owner of their stock, and the shareholders learn nothing of the activities of the subordinate companies, then it is clear that all legal regulations to assure maximum public control over the company's enterprises can be made unworkable. That danger can arise in all companies based on the substitution of stock, indeed in all cases when one company has considerable holdings in another" (439).

N.B.

"At the end of 1904, 3.8 per cent of all limited liability companies had a capital of over one million marks, 9.1 per cent had a capital of over 500,000 marks each. The 3.8 per cent, however, represented 45.2 per cent of the total capital of all limited liability companies, and the 9.1 per cent accounted for 60.5 per cent of this capital" (459).

(In Germany? Apparently.)

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* See present edition, Vol. 22, p. 208.—*Ed.*

460: Author's proposal: to oblige companies to "declare" in their accounts amounts of securities which are $>1/20$ "of the paid-up share capital".

((Idiotic red-tape-ism!))

"In all probability mankind will see further important technical revolutions in the near future which will also affect the organisation of the economic system".... Electricity and aviation.... "As a general rule, in such periods of radical economic change, **speculation** develops on a **large scale**",* and judging by previous experience a considerable role will doubtlessly be played by the principle of stock substitution and by the holding and financing companies for carrying out necessary large-scale capital transactions" (465-66).... N.B. N.B.

But, he says ... joint-stock capitalism has passed its "period of youth". The public has become wiser.... And with big technical inventions, "Gründungsschwindel" (flotation of bubble companies) "hardly", etc.... (466-67) ... (("Harmonist"))

..."the essence of *trade* is in general the substitution of demand"... (475).

((Ha-ha! "Theoretician"!))

..."commerce is an occupation having for its object the collection, storage and supply of goods" (476). ((In bold-face italics. Idiot!))**

Nil in theory

End.

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* Ibid., p. 209.—*Ed.*
** Ibid., p. 227.—*Ed.*

DIE NEUE ZEIT, 1911 (ON WAR N.B.) AND 1912 (INTER ALIA, ON A UNITED STATES OF EUROPE)

Die Neue Zeit, 30th year (1912)

[**N.B. Also** an article on the history of private fortunes in America.]

30th year, 1 (October 1911-1912)

articles by Varga (p. 660), Hilferding (p. 773) and Kautsky (p. 837 et seq.) on gold, commodities, money.

‖ *Otto Bauer* on the same subject in **2nd volume**, **30th year**.

N.B. also, p. 1, "Bandit Politics" (October 6, 1911)—an article by Kautsky on the war in Tripoli, ending with the words: "It (our electoral struggle) can overnight turn !! ‖ into a struggle for power" (p. 5). ‖

30th year, 2 (1912)

an article by *Pannekoek* ("Mass Action and Revolution") (p. 541 et seq.) and one by *Kautsky*, "New Tactics" (August 2, 1912 et seq.) with *vile* passages about ministries, etc. (a vile opportunist article). [N.B. prior to Basle.] Radek, "Concerning Our Struggle Against Imperialism" (p. 233).

[Also a *polemic between Lensch* and *Kautsky* on *disarmament. N.B.*

[Also articles by *Eckstein* against Pannekoek

[**Pannekoek**'s article: "The Nature of Our Present-Day Demands", p. 810.

Deals specially with the "feasibility" of the demands.

"Why, in fact, does the programme contain demands for political democracy, a militia, democratisation of the judicial system, etc., all of them unrealisable under capitalism, but no demands for the right to work or a ban on the introduction of labour-saving machinery, likewise unrealisable under capitalism?" Two kinds of impossibility: "economically impossible" and "politically precluded" (811). The present-day demands are "not in an absolute sense" unrealisable under capitalism (812).

Die Neue Zeit, 1911, 2 (29th year).

pp. *248* and *276*. Minor "polemic" between Karl Kautsky and *Leipziger Volkszeitung* (Rosa Luxemburg) over a United States of Europe—remarks which do n o t touch on the essence of the matter, but are indicative of the polemic that is *being conducted* in *Leipziger Volkszeitung*.

Leipziger Volkszeitung attacked also Ledebour for his statement:

"We put ... to capitalist society ... the demand ... that they [the statesmen] prepare to unite Europe in a United States of Europe in the interests of Europe's capitalist development, in order that later on Europe shall not be completely ruined in world competition" (p. 276).

This, it says, is the same argument Calwer used in urging a customs union against America.

Kautsky retorts: no, it is *not* the same. In Ledebour's statement there is *not* a word about a customs struggle, *only* about a United States of Europe, "an idea which ... is not necessarily spearheaded against the U.S.A." (277). ((Consequently, an idea of peaceful competition!))

Karl Kautsky, p. 248, says that both Parvus and Johann Philipp Becker are (or were) in favour of a United States of Europe.

Ibidem, pp. 943-44 (September 29, 1911), report of an article by *H. Quelch* (in *The Social-Democrat*, 1911, August), who says that the capitalists, too, favour peace (capital, he says, is *already* international): capital can already create a "United States of the *World*" (N.B.: sic! "of the world"), but this world-wide trust would oppress the workers still more. "Capitalist world peace ... the all-powerful international police, nowhere any right of political asylum ... peace and tranquillity would prevail in this slave state" ... (p. 944).

From the war Quelch (*c o n t r a r y t o* Karl Kautsky) expects *not* revolution, but economic prosperity, deliverance from the "pressure of production".

Die Neue Zeit, 1911, 2 (29th year, 2nd volume), No. 30, April 28, 1911 (pp. 97-107).

Karl Kautsky, "*War and Peace*".

Karl Kautsky pronounces in favour of peace propaganda and *for* United States of Europe (§3 of the article is *in fact headed*: "A United States of Europe").

Karl Kautsky is against the proposal to decide beforehand to *reply* to war by a strike (here there is a passage he quoted in 1915, that the people ("the population"), the "**crowd**", would itself kill opponents of the war if it considered the frontiers in danger, if it feared *invasion*—p. 104, etc., etc.).

But, in quoting *such* passages from this 1911 article, *Kautsky* in 1915 did *not* quote the following passages:

1) In §1: "**Dynastic War and People's War.**" N.B. ((My emphasis.))

..."In the eighteenth century the princes regarded the states merely as their domains....

..."**In the same way** the capitalists of the various nations of Europe (and of the U.S.A.) now regard the various nationalities outside European civilisation as their domains, and the antagonisms between the various capitalist governments arise *merely* from the endeavour to enlarge or round off these domains—the colonies and 'spheres of influence'. *Just like* the dynastic antagonisms of the eighteenth century. And *today* the welfare of the peoples of Europe is *no more* related to this than two centuries ago"... (p. 99).

2) "The conviction is growing that a European war *is bound, by natural necessity*, to end in *social revolution*. This is a strong, perhaps the strongest, motive for the ruling classes to preserve peace and demand disarmament" (p. 100).

3) "War is followed by revolution with **inevitable certainty**, not as the product of a Social-Democratic plan, but due to the *iron* logic of *things*. The statesmen themselves now reckon with the possibility of this outcome" (p. 106).

..."Whether the revolution arises from the competition in armaments or from war—it will in any case be an *international phenomenon*" (p. 106)....

..."Even if the revolution does not arise from reaction against the burden of armaments or against the horrors of war, but from other causes, and if at the outset it is not international, but restricted to a single state, *it cannot remain so for long under present conditions*. It [the revolution] *is bound* to spread to other states" ... (107). And from this Karl Kautsky deduces the United States of Europe "and its eventual expansion into the United States of the civilised world".

p. 105: Karl Kautsky defines the United States of Europe as an alliance "with a *common trade policy*" (+ a single parliament, etc., a single army).

In §1 of the article (p. 97), Karl Kautsky describes "the change in the world situation" ("during the last two decades").... "Industrial capital has become finance capital, it has united with the landowner-monopolists".... "Social reform has come to a complete standstill"....

"Nevertheless [despite all the difficulties of realising the United States of Europe] the effort to peacefully unite the European states in a federative community is by no means hopeless. Its prospects are bound up with those of the *revolution*" (K. Kautsky's italics, p. 106).

Die Neue Zeit, 1911, 2, p. 96: an account of *Otto Bauer's* article in the symposium *Der Kampf* (1911, No. 3): "World war is its [capitalism's] last word.... If the Turkish revolution leads to a European war, the inevitable result will be a European revolution."

Die Neue Zeit, 1911, 2, p. 179.

An article by *Rothstein* on the congress in Coventry (1911), where the British Socialist Party adopted a **resolution** *in favour* of "the maintenance of an adequate fleet for national defence".

...“Thereby the Party Congress not only retreated from international Social-Democracy, but actually joined the worst jingoists” (p. 182)....

against Hyndman’s propaganda

“However aggressive Germany may be, her aggression concerns matters of as little importance for the British people as the gold-mines in the Transvaal.... But if, on the other hand, the actions of the British ruling classes, as expressed in the policy of encirclement (etc.) directed against Germany, are approved or permitted, then there really can come a time when even the proletariat will find itself compelled to take up arms and, by defending the country, do the job of the capitalist class”... (p. 183).

N.B.

Die Neue Zeit, 1911, 1, article by *Askew* on British colonial policy in *Egypt*.

FINANZ-ARCHIV: 1915

Finanz-Archiv, 32nd year, *1915*.

“French Capital in Russia” (125-33).

Index to Finanz-Archiv, 32nd year (*Almost nil*.)

Finanz-Archiv, 31st year, 1914.

“*Colonial Debts and Colonial Loans*.”

In 1901 there were colonial securities totalling £600 *million = 12,000* **million** marks on the London Stock Exchanges (p. 8). These are mainly British colonies.

In 1897-1907 (p. 16), France gave the colonies loans of not less than *400* million francs.

Belgium > *250 million francs*.

Germany—(1911)—about *137.4* million marks (p. 28). 137.4 × 1.25 = 171,750,000 francs.

Millions of francs: 15,000; 400; 250; 171.75.

STATISTICS OF ISSUES. EGGENSCHWYLER. CROHN (ON ARGENTINA)

Walter Eggenschwyler (Zurich). “Statistical Data on the Problem: War, Progress of Production and Movement of Prices.” *Schmoller’s Jahrbuch*, 1915, No. 4.

(Author gives only annual figures)

	Public issues, world total (thous. million marks)		Average per year	Minimum	Maximum
1871-1880	76.1 ÷ 10	=	7.61	1.7	15.6
1881-1890	64.5 ÷ 10	=	6.45	3.3	12.7
1891-1900	98.0 ÷ 10	=	9.8	2.5	17.8
1901-1909	136.1 ÷ 9	=	15.1	7.9	21.5

Size of issues (total) (author gives only annual figures):

	Great Britain (million marks)	France (million *francs*)	=	(my calculation) 80% (mill. marks)	Germany (million marks)
1903-07	13,187	18,469	=	14,775	16,630
	÷ 5 = 2,637				
1908-12	21,309	23,122	=	18,497	19,783
	÷ 5 = 4,262				
Σα̇(for 10 years)	34,496	41,591		33,272	36,413
	÷ 10 = *3,449*			÷ 10 =	*3,641*

Ibidem (No. 2). *H. F. Crohn*, "Argentina in the Anglo-German Economic Struggle" (cf. p. 114 in Zollinger on the typicality of Argentina)....

An excellent illustration of imperialism!!

WALTER ZOLLINGER, *BALANCE-SHEET OF INTERNATIONAL TRANSFERS OF SECURITIES*

Walter *Zollinger*, *Balance-Sheet of International Transfers of Securities*, 1914.

(p. 106) He cites following totals from *Neymarck* (*Bulletin de l'institut international de statistique*, Vol. XIX, Book II, 1912).

Figures in **francs***

1871- 80	76.1	thousand million
1881- 90	64.5	" "
1891-1900	100.4	" "
1901-1910	197.8	" "

(Σ = 438.8)

* See present edition, Vol. 22, p. 239.—*Ed.*

(Ibidem) Total of Securities*

(*thousand million* francs)

(1910 maximum)		other countries in 1902 (32)	
Great Britain	142	Holland	10
United States	132	Belgium	6
France	110	Spain	6
Germany	95	Switzerland	5
Russia	31	Denmark	3
Austria-Hungary	24	Sweden, Norway, Rumania, etc.	2
Italy	14		Σ=32
Japan	12		
Other countries	40		
	Σ=600		

CALMES, "RECENT LITERATURE ON CAPITAL INVESTMENT"

Albert Calmes (Professor of the Academy, Frankfurt-am-Main), "Recent Literature on Capital Investment", *Jahrbücher für Nationaloekonomie*, III series, Vol. 47 (Vol. 102), 1914, p. 522.

He praises the book of the Swiss.

N.B. *A. Meyer*, *Capital Investment*, Zurich, 1912 (p. 525: the general part, he says, is "excellent").

Fr. Ehrensperger, *Modern Capital Investment*, Berne, 1911.

Fr. Böttger, *Investment of Money and Management of Capital*, *Leipzig?* (193 pp.) ("he treats in more detail" "*the reading of balance-sheets*", p. 525).

Henry Loewenfeld, *The Art of Capital Investment.* (*All about investment*), Berlin, 1911 ("Leitmotive": "geographical distribution of capital investments").

Paul Leroy-Beaulieu, *The Art of Investing and Managing One's Capital*, Paris, 1912 (451 pp.)—(highly praised).

Calmes, Vol. *105* (1915, No. 5), examines the new literature on financing.

N.B. See also, in *Jahrbücher*, III series, Vol. 39, 1910, article by *Moos* on "capital investment" in France and Great Britain.

* See present edition, Vol. 22, p. 240.—*Ed.*

ARTICLE BY PAISH IN *THE JOURNAL OF THE ROYAL STATISTICAL SOCIETY*, JANUARY 1911

British capital invested in Indian, colonial and foreign loans and companies, and the income derived therefrom in **1907-08** (Paish, p. 168):

My summary in three main groups: A, B, C

		Capital (£000)	Income (idem)	Per cent
A)	Loans (government and municipal)	757,460	29,938	3.9
B)	Railways	1,198,991	52,839	4.4
C)	Banks, etc.	366,022	21,870	
	Mines	243,386	26,145	
	Oil, etc.	127,879	8,999	
	C)	737,287	57,014	7.7
	Total	2,693,738	139,791	5.2

Author divides table not into three (A, B, C), but into *very many* groups.

A) % = 3.2% — 4.7%
B) = 3.8 — 4.7%
C) = 3.3 — 30.5%

1910 (£000)

British Colonies

	Canada and Newfoundland	Australian Commonwealth	New Zealand	Total for Australasia	Africa South	Africa West	India and Ceylon	Straits Settlements and Malay States	Miscellaneous British possessions	(my) Σ
A)	92,948	198,365	64,721	263,086	115,080	8,541	182,517	7,943	6,969	677,084
B)	223,740	2,951	761	3,712	9,354	—	136,519	—	1,717	375,042
C)										503,026
Σ	(*) 373,541	301,521	78,529	380,050	351,368	29,498	365,399	22,037	33,259	(*) 1,555,152

(*) **Note:** Paish's total = 1,554,152, because for Canada he gives 372,541 in the summary table (p. 186), but 373,541 in the main table (p. 180).

	United States	Cuba	Philippines	Japan	China	Miscellaneous foreign countries
A)	7,896	2,282	—	42,784	22,477	818
B)	586,227	17,387	7,902	8,910	—	4,521
C)	93,955	3,031	300			
Σ	688,078	22,700	8,202	53,705	26,809	61,907

	Argentina	Mexico	Brazil	Chile	Uruguay	Peru	Misc. American countries
A)	38,339	8,276	40,221	17,071	9,860	81	3,838
B)	186,126	54,306	29,961	12,646	21,194	6,476	11,681
C)							
Σ	269,808	87,335	94,440	46,375	35,255	31,987	22,517

	Russia	Turkey	Egypt	Spain	Italy	Portugal	France	Germany	Other European countries	Σ	but without Egypt
A)	19,109	9,650	14,044	1,885	4,164	1,336	—	1,351	22,870	74,409	60,365
B)	2,013	6,146	1,916	5,473	3,284	4,432	—	—	495	23,759	21,843
C)			27,793				7,071			90,199	62,408
Σ	38,388	18,320	43,753	18,808	11,513	8,134	7,071	6,061	36,319	188,367	144,614

Journal of the Royal Statistical Society, Vol. LXXIV, January 1911.

Paish's article (and its discussion in the Statistical Society (article pp. 167-87; discussion, pp. 187-200)) shows that the author was *very* cautious and careful.

He excluded conversions—taking not nominal, but issue prices of securities—and to avoid duplication took *income* from securities, etc. The value of his data is therefore *infinitely* greater than that of the baseless "data" on France and Germany.

His main work relates to *1907-08*.

	£000,000		
	1907-08	1908-09 and 1910	1910
colonies:	1,312	+228	1,554
foreign countries	1,381	+288	1,637
Total	2,693	+516	3,191

N.B. Alfred Neymarck, *Modern Finances*, Vols. *VI* and *VII*. *French Savings and Securities 1872-1910. 2 vols. 8°*. Paris, 1911. N.B.

MÜLHAUPT, *THE MILK CARTEL*

Dr. Engelbert Mülhaupt, *The Milk Cartel. A Study of Cartels and Milk Prices*, Karlsruhe, 1912.

Baden Higher School Economic Studies, New Series, No. 9.

A very interesting and business-like little book, describing extremely interesting phenomena.

Literature sources N.B.: *Ph. Arnold* in *Conrad's Jahrbücher*, Vol. 41, *1911*, and in the article "Statistics of the Kingdom of Bavaria", Vol. *41* (1910).
Dictionary of Political Science, Vol. 6 (3rd edition) ("The Milk Industry").
Nachimson, "The Milk War", *Die Neue Zeit*, 1911 (*29th* year), *Vol. 2* (p. 668 et seq.).

The *monopoly* position of the farms (a region 50-100 *km.* around the big towns) and the *growth of co-operatives* are factors *in favour of* cartels in this field.

Following the invention of the centrifuge, co-operative dairy associations sprang up like mushrooms after a warm spring rain:

1870— 1
1903—2,245 with 181,325 members
1909—3,039 " 270,692 " (p. 5)

{Number of agricultural co-operatives (p. 24):
1890— 3,000
1900—13,600
1910—24,900}

{according to *Petersilie*, *German Co-operative Statistics*, Berlin, 1911.}

The growth of prices for concentrated fodder, etc. (+ 13-50 per cent, 1896-1906, p. 7) etc., did *not* result in a growth of prices, until the strong cartel movement about 1900 (p. 7).

The enormous importance of *large-scale* production (storage, etc.) of milk (in relation to cheapness, hygiene, etc., etc.) *favours* cartels.

Berlin requires *daily*	1 million litres of milk
Hamburg with environs	$0.\frac{5}{}$ " " " "
Vienna	$0.\frac{9}{}$ " " " "
Munich	$0._{25}$ (p. 16) " " "

etc.

Milk contains *9,000* **bacteria** per cubic centimetre (centimetres?? or millimetres?) immediately after milking; 12,000 after 2-3 hours; 120,000 after 9 hours; *millions* after 24 hours (page?).

Delivery is mostly by railway *(50-100 km.* from the town). Virtual monopoly position of peasants in *nearby* areas engaged in milk production.

"The co-operative movement has trained the farmer for the cartel" (25).

The history of some *milk cartels.*

The Berlin Milk Cartel. Founded *June 1900.* **A fierce struggle** against wholesale traders (the public *supported* the traders).

B o l l e (the biggest Berlin milk firm—sells *45* million litres per annum; capital 10,000,000 marks; dividend 8 per cent, p. *91*) in 1903 made peace with the milk cartel. (In a short time, Bolle became a millionaire; as also *Pfund* in Dresden, who sells 21 million litres).

Milk syndicates always improve hygienic conditions.

But the present one was badly off *financially* and *went bankrupt* on February 27, 1907.

Hamburg. Founded in June 1900. During ten years it gave its members 10.3 million marks (p. 53), raised *t h e i r* price (from 11.2 to 14.1 pfennigs), and concluded an agreement with the big traders.

Frankfurt-am-Main. When was it founded?? In 1911 it was *very powerful*.

It concluded an agreement with the traders. Afterwards it demanded that *they* raise the price from 16 pfennigs to 17.

"Over this pfennig a three months' bitter war broke out between the farmers and the traders, who were supported both by the Social-Democratic and liberal workers' unions, and by the trade union association" (p. 54). The traders gave way.

"The struggle ended with traders, to the great astonishment of the consumers, forming an alliance with Vereinigte Landwirte [the United Farmers, a cartel], by which the latter were pledged not to deliver milk to traders who did not join in the price increase" (p. 55).

In *Vienna* there is a huge syndicate. It lowered sales costs from 7.67 hellers per litre in 1900 (turnover 0.56 million kronen) to 3.775 hollers in 1910 (turnover 6.74 million kronen) (p. 57). || large-scale production!!

Influence of cartels on the producers?

Prices rose by an average of 2 pfennigs in 1900-10 (compared with 1890-1900) (p. 61).

The price rise was caused by the *cartel* (otherwise higher production costs would not have increased the price).

"What other explanation is there for the striking fact that prices began to rise precisely in the years when the milk cartel appeared on the scene?" (63).

"Lastly, what other explanation, save the existence of cartels, is there for the fact that the highest price increases

were in the richest milk areas: Switzerland and Württemberg?" (64).

Bigger sales of milk *worsen* both food for cattle (p. 66) and *food for the population* (67).

Consumption of milk in Switzerland

	Litres per capita per day
1903-05	—1.01
1906-09	—0.98 (p. 68)

Same in Germany.

Effecton trade? Profits declined from 7-8 pfennigs per litre to 6-7 pfg. (72),—gradual squeezing out of trade.

On consumers? Better quality, hygiene, etc.

Best of all in *Basle*, where the consumers' association and peasants' milk association *directly* confront each other. The *milk trade* is run by the city in an *exemplary* way, but *as regards prices* the consumer is dependent on the *peasants*!!

"According to Professor Kasdorf, the average daily milk yield of a cow is 5 litres in Austria, 8-10 litres in Germany, and 12 litres in Denmark" (p. 83).

Milk production on Archduke Friedrich's big farm near Vienna:

1853—3.00 litres per cow
1850—4.67
1890—6.27
1900—6.86 (p. 84)
1910—8.00

Small-scale trade in milk still prevails (in Munich in 1910 there were 1,609 dairy shops, including

250 selling up to 50 litres
1,310 (81.4%) up to 150 litres)

conditions generally unhygienic; no safeguards against contamination when the milk is poured, etc.

N.B. and "an incredible waste of time, labour and capital" (87), delivery, unsold milk, 2-3 suppliers to a single house, etc., etc.

!!! "The social effects of the milk cartel" (Chapter V)—the prospect is for an "*armed peace*" (95) between the town and countryside, an outright war between consumers and sellers, as in Basle.

In Basle, the consumer *d e p e n d s* wholly (as regards price) on the cartel of peasant milk producers.

Peasant dairy cartels are *best of all* organised in Switzerland—and the price of milk is the highest of all!! the power of these cartels being greatest of all!!

"The general consumers' association (in Basle) finds its hands completely bound in face of the price policy of the producers' cartel" (p. 77). N.B.

"Even in Switzerland, where direct relations between peasants and workers are closer than in other countries, there have been hard-fought battles and bitter price struggles between them" (p. 95).

CAPITALIST ASSOCIATIONS ON THE WAR

Capitalist Associations *on the war*

Archiv für Sozialwissenschaft und Sozialpolitik (Edgar Jaffé) (Vol. 41, No. 1), 1915, September.

N.B. Pp. 296-97—"Employer Organisations on the War".

..."Consequently [employer organisations] are thinking in terms of the rise and development of a special German type; that is what the war is about. That view, in fact, fully coincides with the employers' interests. They are aware of a certain danger to themselves if it were to be said after the war: vestra res agitur (the matter concerns you), *your* skin and *your* interests are at stake! The war is being waged to decide who shall hold sway on the *world market*!" (*Deutsche Arbeitgeberzeitung*, February 7, 1915). In that event, obviously, all socio-political tendencies, all efforts to cover war expenditure out of employer profits would find ready acceptance. If, N.B.

however, the war is being waged in the *interests of civilisation*, to defend a type of civilisation and not profit interests, then it falls to Society as a whole to bear the burdens of war, and it will not be possible to single out a class whose interests are pro-eminently promoted by the war.

The employers regard the *effects* of the war, insofar as they extend to the internal political situation, as predominantly favourable. This applies especially to its effect on the Socialist Party, and in this respect they praise "fate as educator". For the war has led to unity of the nation and has cut the ground from under the most attractive socialist theories. (Ibid., August 2, 1915.) In this war the nation has for the first time really become a nation (to borrow Treitschke's expression)—and this is in itself justification for the war.... For centuries to come, war will still be the sole form of settling disputes between states, and it is a form to be welcomed, for the war has halted the trend towards democracy: "We have reached the limit of feebleness, the brink of degeneration and debility. From the final extreme, however, from sinking into the abyss, we have been saved by fate, which evidently has set our German people a special goal." (Ibid., August 16, 1914.)

"The meaning of the war in general is thus consistently being sought in a transformation of the *soul*; its serious economic and political implications are belittled; its serious political and economic consequences are rejected".

"The German Government's further measures, it is correctly pointed out, were likewise directed at *regulating consumption*, whereas the aim of socialism is socialisation of the *means of production*. (Ibid., February 28, 1915.) All these measures will therefore be discontinued with the coming of peace. These views are, on the whole, in the interests of the employers. And the antagonism between the class interests of the employers and the workers probably

finds its most salient expression also in the contrasting way the war is reflected in their ideologies. But the contrast is of a manifold nature. The socialists of the opportunist, revisionist trend see the war as an economic war. *They* take the view that the war is imperialist and even defend the right of every nation to imperialism. From that they deduce a community of interests between employers and workers within the nation, and that line, followed consistently, leads to their becoming a radical bourgeois reform party. On the other hand, the radical trend in the socialist workers' movement, while regarding the war as imperialist (at any rate, with reservations), negates this development—it demands intensification of the class struggle as a consequence of the war and emphasis on the proletarian standpoint, even during the war. The employers, however, as we have seen, deny that the war is an imperialist one. They do not want to be told: Tua res agitur (it is your concern). They reject both the positive, affirmative imperialist view of the revisionist socialists and the critical attitude of radical socialism. They seek salvation in the "civilisation meaning" of the war, an interpretation that does not hold any class responsible for the war, and does not accuse any class of especially benefiting from it. A grotesque picture: while the governments everywhere uphold the imperialist theory or, at least" (how nice!!) "contend that for the other side the economic interest is decisive, the chief representatives of economic interests retire behind the general civilisation meaning of the war. As a result, they come into contact with views to be found also in the camp of radical socialism; they regard the war as economically only an interim phase; all war-time phenomena, all measures taken by the state, stem from the present situation and will disappear together with

well said!

how nice!

gem!

the war. The employers' views on the war, too, however much they may appear to have a central *idea*, should therefore be regarded exclusively as (class) ideology" (pp. 295-97). (End of article.)

Note, pp. *293-94*:

N.B. "A theoretical article in *Deutsche Arbeitgeberzeitung* (August 15, 1915) in which tendencies towards a new (democratic) orientation in home policy are most emphatically rejected, is highly indicative....

N.B.! ..."First of all, Social-Democracy has still more to '*re-learn*': it will 'above all have to show, after the war as well, whether the *process of transformation* to which it refers has really become part of its *flesh and blood*. Only if this has been decisively demonstrated for a fairly lengthy period will one he able to say, with due caution, whether some of these changes in Germany's home policy are possible'." ..."In any case, so far there are no prerequisites for a future home policy (as urged by the Left parties). ...On the contrary, 'the harsh school of war provides us with the strongest possible arguments against further democratisation of our state system'" ... (p. 294).

CRAMMOND, GREAT BRITAIN AND GERMANY

Journal of the Royal Statistical Society, 1914, July (Vol. LXXVII, Part VIII) (pp. 777-807).

Edgar Crammond, "*The Economic Relations of the British and German Empires*".

Together the two empires account for 39 per cent of international trade (1911: 26.9 per cent Great Britain + 12.5 per cent Germany) and 53 per cent of the world's mercantile shipping.

		Germany		Great Britain
Population	1872	41.23 (million)		31.87 (million)
	1888	48.17 "		36.88 "
	1910	64.92 "	(1911)	45.22 "
	+(1872-1910)	+23.69		+13.34
Births per 1,000		29.5 (1911)		24.4
Deaths " "		18.2		14.8
Urban population		57.4% (1905)		71.3% (1901)
Value of mineral production (1911)		£102,000,000		124,500,000

		United States	Germany	Great Britain
			(million tons)	
Coal output	1911	450.2	234.5	276.2
	1886	103.1	73.7	160.0
		+347.1	+160.8	+116.2
		+336.6%	+218.1%	+ 72.6%
Ditto, crude steel	1910	26.5	13.7	6.1
	1886	2.6	0.9	2.4
		+ 23.9	12.7	3.7
		+910.3%	+1,335 %	+154.3%

		Germany	Great Britain
		(million)	
Export of cotton goods	1887:	£ 10.0	72.0
	1912:	£ 24.3	122.2
Bank deposits:		£ 468.0	1,053.0
(1912-13) savings banks		839.0	221.1
	(My) Σ=	1,307.0	1,274.0
Net tonnage of shipping	1880:	1.2 million	6.6 million
	1911:	3.0 "	11.7 "
		+ 1.8	+ 5.1
		+156 %	+77.7%
Total tonnage of vessels entered and cleared on foreign trade	1880:	13.0 mill. tons (of which 39.1% German vessels)	49.7 (of which 72.2% British vessels)
	1911:	49.5 (50.4% German vessels)	138.9 (59% British vessels)
		+	—

		Germany	Great Britain
Shipbuilding: annual output	1898-1904:	240,800 tons	898,000
	1913:	618,800	2,203,000
Tonnage of vessels that passed the Suez Canal	1892:	809,000 tons	8,102,000
	1912:	4,241,000	17,611,000
Percentage of all vessels that passed the Suez Canal	1892:	7.4%	74.5%
	1912:	15.1%	62.9%
Gross income of railways	1888:	£58.4 million	72.9
	1910:	£149.5 ”	127.2
		+156%	+74.3%
Foreign trade (exports + imports)	1888:	£323.6 million	558.1
	1912:	£982.6	1,120.1
		+ 204%	+100.7%
		+£659.0 million	+£562.0 million
Expenditure on army and navy (1912)		£70.0 million	102.4
National wealth:		£15,000 ”	25,000 (*)
National income (Helfferich, for Germany)		£2,000 ”	3,400
Capital investment abroad		£1,000 ”	3,800
		=6.6% (of national wealth)	(=23%)
Income from capital invested abroad (1912)		£50.0 million	185.0
Income from shipping		£30.0 ”	100.0
National income (Germany, according to Helfferich)	1896:	£1,075 ”	1,430
	1912:	£2,000 ”	2,140
Annual increase of national wealth (last 18 years for Germany) (and last 28 years for Great Britain)		=£272.0 ”	£230.0 million

figures for the last five years are approximately the same.

(*) For the whole *Empire*. For Great Britain alone, without colonies = 16,500.

SALE, JAPAN VERSUS GREAT BRITAIN

A very interesting article in the *Journal of the Royal Statistical Society*, Vol. LXXIV, 1911, April.

Charles W. Sale, "*Some Statistics of Japan*", pp. 467-534.

The comparison with the United Kingdom is especially instructive:

	Japan	United Kingdom
Area (square miles)	147,648	121,390
Population (1910)	49,587,000	44,538,000
" per square mile	335	367
Birth-rate (per 1,000)	31.30	27.95
Death-rate (" ")	20.70	16.89
Increase (" ")	+10.60	+11.06
Grain, green crops, etc.	12,894,000 (acres) 13.6%	12,437,000 = 16%
Grasses and pastures	3,006,000 3.2%	34,565,000 = 44%
Forests	55,083,000 = 58.0	3,070,000 = 4%
Price of land (+cattle, etc.)	£1,299 million = 57% of total national wealth	£1,220 = 11%
Production (1907)		
rice, wheat, barley, oats	= 372.8 million bushels	307.3
Potatoes	3.9 (mill. tons)	5.2
Turnips, swedes	very little	36.3 (mill. tons)
Radishes	2.3 (mill. tons)	—
Hay	very little	15.6 " "
Net imports of drink, food and tobacco	£3.46 (million)	£212.4 million
Cattle (1908)	1.3 (")	11.7 "
Horses (1908)	1.5 (million)	2.1 (million)
Sheep	87,000(= 0.08 mill.)	31.3 "
Pigs	0.28 (million)	4.0 "
Number of coal miners underground (1908)	126,999	796,329
Coal raised (in tons)	14.8 (mill.)	261.5
Tons of coal per miner per annum	117	328
Value sterling	6.5 (mill.)	116.6
" per ton	8s. 9d.	8s. 11d.
Tons of coal exported	2.86 (mill.)	62.55
Value per ton exported	12s. 11d.	12s. 8d.
Railways (1908) in miles	5,020	23,280
Passengers (million)	146.9	1,265.1

		Japan	United Kingdom
Goods traffic (million tons)		25.4	499.9
Earnings (per mile of railway)		£1,690	4,854
Expenses (” ”)		868	3,133
Net earnings (”)		+822	+1,721
Steamships (100 tons and upward gross)		1,146,977	18,059,037
Shipping entered at Chinese ports (1,000 tons)	1902:	7,350 (13.6%)	26,950 (49.9%)
	1909:	18,949 (21.8%)	34,027 (39.2%)
Total value of product of textile factories (1907)		£37.77 (mill.)	247.27
Operatives		355,000	808,398
Value per operative		£106	£306
Imports + exports (including re-exports)	1889:	£20.99 (mill.)	744.0
	1909:	82.35	1,094.0
dem per capita	1899:	10s. 6d.	£19. 19s. 10d.
	1909:	£1. 12s. 10d.	£22. 5s. 8d.
National expenditure (1909)		£64.9 (mill.)	152.3
Post Office savings (1909)			
Number of depositors		8.66 (mill.)	11.1
Amount (£ mill.)		£10.8 (mill.)	160.6
” (per capita)		£1. 5s. 1d.	£14. 11s. 7d.
Value of agricultural products		£126 (mill.)	174.8
Number of farm labourers (including peasant proprietors)		11.50 (mill.)	2.05

N.B. “With less than a fifth the number of labourers, the product in the United Kingdom is larger, and 40 per cent greater in value” (p. 488)....

Agriculture in Japan has special features, it accounts for 60 per cent of the population (p. 481). Out of a total number of households of 9,250,000, 3,748,000 are engaged exclusively in agriculture; 1,662,000 combine other occupations with agriculture. Other farmers = 70,000. Landowners = 43,000. Σ = 5,523,000.

The land is very heavily taxed. Agriculture is on an extremely small scale:

	Per cent of farms (p. 482)
Area of farms: less than 1¼ acres (5 *tan*)	37.26
from 1¼ to 2½ acres (5 tan-1 *cho*)	32.61
" 2½ " 5 " (1-2 ")	19.62
" 5 " 12¼ " (2-5 ")	9.37
over 12¼ acres (5 *cho*)	1.14
	100.00

The productivity of agricultural labour is extremely low, chiefly owning to the small scale of agriculture and the absence of machines.

In Japan, the production of rice requires 110 days' labour per *acre*.

In Texas and Louisiana, the production of rice per acre requires one man for two days + a team for 1½ days.

(*American Economic Association Journal*, *1904*, November)

ARTICLE: "FINANCIAL ARRANGEMENTS AND THE WAR DEBTS OF EUROPE"

The Economist, February 13, 1915. Article: "Financial Arrangements and the War Debts of Europe"....

..."The more one looks into the financial and political future of Europe after the war the darker and more obscure do its problems appear. But that is all the more reason why independent men with knowledge and penetration and foresight should exercise their minds upon the political economy of this war. Never has there been such a collision of forces, never so much destruction in so short a time. Never has it been so difficult or so necessary to measure the calamity, to count the costs, to foresee and provide against the consequences to human society. Philanthropists profess to hope that the peace settlement will bring with it a great international reduction of armies and armaments, which will enable the nations to support their new war debt, and so to avoid the

bankruptcy court. No doubt the fear of bankruptcy will count for something; otherwise the peace settlement might be expected to breed another series of preparations for another series of wars. But those who know the forces which really control the diplomacy of Europe see no Utopias. The outlook is for bloody revolutions and fierce wars between labour and capital, or between the masses and the governing classes of Continental Europe". (End of article.)

N.B.

NOTEBOOK "κ"
("KAPPA")

J. A. HOBSON, *IMPERIALISM*

***Imperialism*. A Study by J. A. *Hobson* (London, 1902).**[33]

p. 4. Real colonisation consists in people of the metropolis emigrating to an empty uncolonised country and bringing their civilisation to it, but the forced subjection of other peoples is already a "**debasement of this genuine nationalism**" ("**spurious colonialism**"); it is already a phenomenon of an imperialist order. A model example of a real colony is seen in Canada and the self-governing islands of Australasia.

p. 6. "***The novelty*** of the ***recent*** Imperialism regarded as a policy consists chiefly in its adoption by *several* nations. The notion of a number of competing empires is essentially modern." **N.B.**

p. 9. "Nationalism is a plain highway to *internationalism*, and if it manifests divergence we may well suspect a perversion of its nature and its purpose. *Such a perversion is Imperialism*, in which nations trespassing beyond the limits of facile assimilation transform the wholesome stimulative rivalry of varied national types into the cut-throat struggle of competing empires." !!

pp. 17-18. The nucleus of the British Empire is a population of 40 million, living in an area of 120,000 square miles. During the last *generation* alone, the increase in the possessions of the British Empire = 4,754,000 sq. miles with 88,000,000 people.

p. 19. The British colonies and dependencies in *1900* = 13,142,708 sq. miles with a population of 306,793,919 (*).

N.B. **Hobson *includes* the "protectorates" (Egypt, Sudan, etc.), which Morris does *not*!!**

(*) Hobson here quotes Morris, II, 87 and R. Giffen: "The Relative Growth of the Component Parts of Our Empire", a paper read before the Colonial Institute, January 1898.
(Further, *The Statesman's Year-Book* for 1900.)

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p. 20. Between 1884 and 1900, 3,711,957 square miles **(counting Sudan, etc.)** with a population of 57,436,000 were added to the British Empire.*

pp. 21-22. In *Germany*, literature on the necessity for her to have colonial possessions arose in the seventies. The first official aid to the German Commercial and Plantation Association of the Southern Seas was given in 1880. The "German connection with Samoa" belongs to the same period, but real imperialist policy in Germany began from 1884, when the African protectorates arose and the islands of Oceania were acquired. During the next fifteen years, a million square miles, with a population of 14,000,000, in the colonies was brought under the influence of Germany. Most of the territory was in the tropics, with only a few thousand whites.

In *France*, the old colonial spirit began to revive at the very beginning of the eighties. The most influential economist conducting colonial propaganda was Leroy-Beaulieu. In 1880, French possessions in Senegal and Sahara were extended, a few years later Tunisia was acquired, in 1884 France took an active part in the struggle for Africa and at the same time strengthened her rule in Tonkin and Laos in Asia. Since 1880, France acquired 3½ million square miles with a population of 37,000,000 almost wholly in

* See present edition, Vol. 22, pp. 255-56.—*Ed.*

tropical and subtropical countries, inhabited by lower races and unsuitable for French colonisation.

In 1880, *Italy*'s Abyssinian expedition came to grief and her imperialist ambitions suffered defeat. Her possessions in East Africa were limited to Eritrea and a protectorate in Somali.

The African agreement of 1884-86 gave *Portugal* the extensive region of Angola and the Congo Coast, and in 1891 a considerable part of East Africa came under her political control.

The Congo Free State, which became the property of the King of *Belgium* in 1883 and which has been considerably enlarged since then, must be regarded as a morsel seized by Belgium in the struggle for Africa.

Spain has been kept away from the arena of the struggle for the world.

Holland does not take part in the modern imperialist struggle; her considerable possessions in the East and West Indies are of older origin.

Russia, the only one of the northern countries pursuing an imperialist policy, directs her efforts chiefly to the seizure of Asia, and, although her colonisation of Asia is more natural, since she proceeds by extending her state frontiers, she will soon come into conflict with other powers in regard to the division of Asia.

p. 23. Altogether the European states + Turkey + China + the United States of America, embracing an area of 15,813,201 square miles with a population of 850,103,317, possess 136 colonies with an area of 22,273,858 square miles and a population of 521,108,791. **(Taken wholly from Morris, II, 318, as Hobson himself pointed out.)**

pp. 26-27. "*Expansion of Chief European Powers since 1884*"*:

			population
Great Britain (see p. 20)	3,711,957	sq. miles	57,436,000
France	3,583,580	" "	36,553,000
Germany	1,026,220	" "	16,687,100

* Ibid., pp. 255-56.—*Ed.*

Russia (?) 114,320 sq. miles (?) 3,300,000 (population)
(this is Khiva + Bukhara) (this = Khiva + Bukhara)
Russia ((Khiva (1873), Bukhara (1873*), Kwantung (1898) Manchuria (1900))

Although under a heading "since 1884", Hobson has included both Khiva and Bukhara

Belgium (Congo)	900,000	30,000,000
Portugal (**Angola**, 1886; **East Africa**, 1891, and ***others***).	800,760	9,111,757

N.B. N.B. **(*Hobson* adds, pp. 28-29, *two* maps of Africa, 1873 and 1902, clearly showing the increase in its partition).**

p. 34: *Percentages of Total Values*:

Annual averages for	Imports into Great Britain from: Foreign countries	Imports into Great Britain from: British possessions	Exports from Great Britain to: Foreign countries	Exports from Great Britain to: British possessions
1855-59	76.5	23.5	68.5	31.5
60-64	71.2		66.6	
65-69	76.0		72.4	
70-74	78.0		74.4	
75-79	77.9		66.9	
80-84	76.5		65.5	
85-89	77.1		65.0	
90-94	77.1		67.6	
95-99	78.6		66.0	

p. 37

'Four-yearly' averages	Percentages of imports into colonies, from Great	Percentages of exports from etc. into Britain
1856-59	46.5	57.1
60-63	41.0	65.4
64-67	38.9	57.6
68-71	39.8	53.5
72-75	43.6	54.0
76-79	41.7	50.3
80-83	42.8	48.1
84-87	38.5	43.0
88-91	36.3	39.7
92-95	32.4	36.6
96-99	32.5	34.9

***p. 38. Year ending December 1901*:**

(£000, 000)	Imports from	%	Exports to	%
Foreign countries	**417.615**	**= 80**	**178.450**	**= 63.5**
British India	**38.001**	**= 7**	**39.753**	**= 14**
Australasia	**34.682**	**= 7**	**26.932**	**= 9.5**
Canada	**19.775**	**= 4**	**7.797**	**= 3**
British South Africa	**5.155**	**= 1**	**17.006**	**= 6**
Other British possessions	**7.082**	**= 1**	**10.561**	**= 4**
	522.310	**=100**	**280.499**	**=100**

* So given in Hobson's book. It should be 1868.—*Ed.*

p. 39. Trade of the Empire with Great Britain: (£000)

Annual average		Total imports	Imports from Britain	% of British imports	Total exports	Exports to Britain	% of exports to Britain
1867-71	India	45,818	31,707	69.2	56,532	29,738	52.6
	Self-governing colonies	42,612	24,502	57.5	42,386	23,476	55.4
	Other colonies	23,161	7,955	34.3	23,051	10,698	46.4
1892-96	India	52,577	37,811	71.9	68,250	22,656	33.2
	Self-governing colonies	74,572	44,133	59.2	83,528	58,714	70.3
	Other colonies	39,835	10,443	26.2	36,626	10,987	29.3

From "The Flag and Trade" by Professor Flux, *Journal of the Royal Statistical Society*, September 1899, Vol. LXII, pp. 496-98.

p. 48. "The total emigration of Britons represents no large proportion of the population; that proportion during the recent years of imperial expansion has perceptibly diminished: of the emigrants a small proportion settles in British possessions, and an infinitesimally small fraction settles in the countries acquired under the new Imperialism"....

Since 1884,, the emigration figures have been falling*: 1884 ... 242,179 (including 155,280 to the United States) and immigration must also be taken into account!! 1900 ... 168,825 (including 102,797 to the United States (p. 49)) (author gives annual and more detailed figures).

p. 58. (According to Mr. Mulhall) the size and growth of British foreign and colonial investments since 1862 were:

Year	Amount (£)	Annual increase (per cent)	(thousand million francs) Great Britain	France	Germany
1862	144,000,000		3.6	—	—
1872	600,000,000	45.6	15	10 (1869)	—
1882	875,000,000	27.5	22	(1880) 15	?
1893	1,698,000,000	74.8	42	(1890) 20	
				27 (1902)	12.5 (1902)
				40 (1910)	35 (1910)
1914	4,000,000,000		(75-100 (1914))	60 (1914)	44 (1914)**

* See present edition, Vol. 22, p. 282.—*Ed.*
** Ibid., p. 242.—*Ed.*

15% (*) *p. 59.* "In 1893 the British capital invested abroad represented about 15 per cent of the total wealth of the United Kingdom: nearly one-half of this capital (£770 mill.) was in the form of loans to foreign and colonial governments; of the rest a large proportion was invested in railways, banks, telegraphs and other public services, owned, controlled, or vitally affected by governments, while most of the remainder was placed in lands and mines, or in industries directly dependent on land values."*

The figure £1,698,000,000, according to Sir R. Giffen's calculations, should be considered less than the actual one.

(*) **p. 59. Investments: Loans foreign—£525,000,000, colonial—£225,000,000, municipal—£20,000,000, total of loans =£770,000,000. Railways: U.S.A.—£120,000,000; colonial—£140,000,000, and various—£128,000,000; total of railways—£388,000,000. Sundries: Banks=£50,000,000; lands=£100,000,000; mines, etc.=£390,000,000.**

Σ = 770 + 388 + 540 } 1,698

N.B. *p. 60.* "It is not too much to say that the modern foreign policy of Great Britain is primarily a *struggle for profitable markets of investment*."

pp. 62-63. "Much, if not most, of the debts are 'public', the credit is nearly always private....

"Aggressive Imperialism, which costs the tax-payer so dear, which is of so little value to the manufacturer and trader ... *is a source of great gain to the investor*....

"The annual income Great Britain derives from commissions on her whole foreign and colonial trade, import and export, is estimat-

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* See present edition, Vol. 22, p. 277.—*Ed.*

ed by Sir R. Giffen[1]) at £18,000,000 for 1899, taken at 2½ per cent, upon a turnover of £800,000,000." Great as this sum is, it cannot explain the aggressive imperialism of Great Britain, which is explained by the income of "£90,000,000 or £100,000,000, representing pure profit upon investments".*

18 mill.

versus

90 mill.

[1]) ***Journal of the Royal Statistical Society*, Vol. LXII, p. 9.**

Investors are interested in lessening the risks connected with the political conditions in the countries where they invest their capital. "*The investing and speculative classes* in general also desire that Great Britain should take other foreign areas under her flag in order to secure new areas for profitable investment and speculation."

N.B.

p. 63. "If the special interest of the investor is liable to clash with the public interest and to induce a wrecking policy, still more dangerous is the SPECIAL INTEREST OF THE FINANCIER, THE GENERAL DEALER IN INVESTMENTS. In large measure the rank and file of the investors are, both for business and for politics, the cat's-paw of the great financial houses, who use stocks and shares not so much as investments to yield them interest, but as material for ***speculation*** *in the money* market."

N.B.

p. 68. "Such is the array of distinctively economic forces making for Imperialism, a large loose group of trades and professions seeking profitable business and lucrative employment from the expansion of military and civil services, from the expenditure on military operations, the opening up of new tracts of territory and trade with the same, and the provision of new capital

* Ibid., p. 277.—*Ed*.

which these operations require, all these finding their central guiding and directing force in the power of the ***general financier***". (***Finance capital.***)

p. 72. The consequence of markets seized by France and Germany being closed to Great Britain has been that the latter has closed her markets to them. "Imperialism, when it has shaken off the 'old gang' of politicians who had swallowed Free Trade doctrine when they were young, will openly adopt the Protectionism required to round off this policy" (**72-73**)....

p. 78. The manufacturer and trader are satisfied by trading with other nations; the investors of capital, however, exert every effort "towards the political annexation of countries which contain their more speculative investments".

Capital investment is advantageous for a country, opening new markets for its trade "and employment for British enterprise". To refrain from "imperial expansion" means to hand over the world to other nations. "Imperialism is thus seen to be, not a choice, but a necessity" **(= the view of the imperialists)**....

pp. 80-81 (trusts). Free competition has always been accompanied by "over-production", which led to prices falling to such a level as to remove weaker competitors from the arena of competition. The first step in the formation of a trust is the closing down of the worst-equipped and worst-situated factories, and the cutting of production costs by using only the most up-to-date machines.

"This concentration of industry in 'trusts' ... at once limits the quantity of capital which can be effectively employed and increases the share of profits out of which fresh savings and fresh capital will spring." The trust arises as an antidote to over-production, to excessive investment of capital in the given industry; hence not all the capital which the participants in the trust want to put into circulation can be invested within the framework of the trust. The trusts endeavour to invest the surplus capital so as "to establish similar combinations in other industries, economising capital still further, and rendering it ever harder for ordinary saving men to find investments for their savings".

pp. 82-84. *America's* home market is saturated, capital no longer finds investment.

"It is this sudden demand for foreign markets for manufactures and for investments which is avowedly responsible for *the adoption of Imperialism* as a political policy and practice by the Republican Party to which the great industrial and financial chiefs belong, and which belongs to them. The adventurous enthusiasm of President Roosevelt and his 'manifest destiny' and 'mission of civilisation' party must not deceive us. *It is Messrs. Rockefeller*, Pierpont Morgan, Hanna, Schwab, and their associates *who need Imperialism* and who are fastening it upon the shoulders of the great Republic of the West. They need Imperialism because they desire to use the public resources of their country to find profitable employment for the capital which otherwise would be superfluous. **N.B.**

"It is not indeed necessary to own a country in order to do trade with it or to invest capital in it, and doubtless the United States can find some vent for its surplus goods and capital in European countries. But these countries are for the most part able to make provision for themselves: most of them have erected tariffs against manufacturing imports, and even Great Britain is being urged to defend herself by reverting to Protection. The big American manufacturers and financiers will be compelled to look to China and the Pacific and to South America for their most profitable chances. Protectionists by principle and practice, they will insist upon getting as close a monopoly of these markets as they can secure, and the competition of Germany, England, and other trading nations will drive them to the establishment of special political relations with the markets they most prize. Cuba, the Philippines, and Hawaii are but the *hors d'oeuvre* to whet an appetite for an ampler banquet. Moreover, the powerful hold upon politics which these industrial and financial magnates possess forms a separate stimulus, which, as we have shown, is operative in Great

N.B. Britain and elsewhere; the public expenditure in pursuit of an imperial career will be a separate immense source of profit to these men, as financiers negotiating loans, shipbuilders and owners handling subsidies, contractors and manufacturers of armaments and other imperialist appliances."

p. 86. With the introduction of improved methods of production, concentration of ownership and control, the capitalists find it more and more difficult "to

N.B. dispose profitably of their economic resources, and they are tempted more and more to use their governments in order to secure for their particular use some distant undeveloped country by annexation and protection".

ha-ha!! the essence of philistine criticism of imperialism

At first sight it seems that the productive forces and capital have outgrown consumption and cannot find application in their own country. Therein, he says, lies the root of imperialism. But ... "*if the consuming public* in this country raised its standard of consumption to keep pace with every rise of productive powers, there could be no excess of goods or capital clamorous to use Imperialism in order to find markets".

p. 89. "The volume of production has been constantly rising owing to the development of modern machinery." Wealth can be used by the population or by a handful of rich people. The level of wages puts a limit on use by the population. Personal consumption by the rich, owing to their small number, cannot absorb a very large quantity of products. "The rich will never be so ingenious as to spend enough to prevent over-production." The chief part of production is devoted to "accumulation". The stream bearing this huge mass of products "is not only suddenly found to be incapable of further enlargement, but actually seems to be in the process of being dammed up".

p. 91. "Thus we reach the conclusion that *Imperialism is* the endeavour of the great controllers of industry to broaden the channel for the flow of their surplus wealth by seeking foreign markets ***and*** *foreign*

investments to take off the goods and capital they cannot sell or use at home.

"*The fallacy of the supposed inevitability* of imperial expansion as a necessary outlet for progressive industry is now manifest. *It is not industrial progress* that demands the opening up of new markets and areas of investment, *but* MALDISTRIBUTION of consuming power which prevents the absorption of commodities and capital within the country."

inevitability of imperialism

cf. K. Kautsky

p. 94. "There is no necessity to open up new foreign markets; the home markets are capable of indefinite expansion."

cf. K. Kautsky

p. 96. "Trade unionism and socialism are thus the natural enemies of imperialism, for they take away from the 'imperialist' classes the surplus incomes which form the economic stimulus of imperialism."

p. 100. "Imperialism, as we see, implies the use of the machinery of government by private interests, mainly capitalist, to secure for them economic gains outside their country."

"The average yearly value of our *foreign trade* for 1870-75, amounting to £*636*,000,000, increased in the period 1895-98 to £*737*,000,000, the average public expenditure advanced over the same period from £63,160,000 to £94,450,000. It is faster than the growth of the aggregate *national income*, which, according to the rough estimates of statisticians, advanced during the same period from about £*1,200*,000,000 to £*1,700*,000,000."

pp. 101-02. "This growth of naval and military expenditure from about *25* to *60* millions in a little over a *quarter* of a century is the most significant fact of imperialist finance. The financial, industrial, and professional classes, who, we have shown, form the economic core of Imperialism, have used their political power to extract these sums from the nation in order

to improve their investments and open up new fields for capital, and to find profitable markets for their surplus goods, while out of the public sums expended on these objects they reap *other great private gains* in the shape of profitable *contracts*, and lucrative or honourable *employment*."

p. 103. "While the directors of this *definitely* ***parasitic*** *policy* are capitalists, the same motives appeal to SPECIAL CLASSES OF THE WORKERS. In many towns most important trades are dependent upon government employment or contracts; the Imperialism of the metal and shipbuilding centres is attributable in no small degree to this fact."*

p. 114. "In other nations committed to or entering upon an imperialist career with the same ganglia of *economic interests masquerading as patriotism*, *civilisation*, *and the like*, Protection has been the traditional finance, and it has only been necessary to extend it and direct it into the necessary channels."

p. 115. "both (*) ... will succumb more and more to the *money-lending* classes dressed as Imperialists and patriots."

p. 120. "Of the three hundred and sixty-seven millions of British subjects outside these isles, not more than ten millions, or one in thirty-seven, have *any real self-government* for purposes of legislation and administration."

!! 1/37

p. 121. "In certain of our older Crown colonies there exists a *representative element* in the government. While the administration is entirely vested in a governor appointed by the Crown, assisted by a council nominated by him, the colonists elect a ***portion*** of the legislative assembly....

"The representative element differs considerably in size and influence, in these colonies, but *nowhere does it outnumber the non-elected element*. It thus becomes an *advisory* rather than a really legislative factor. Not merely is the elected always dominated in numbers by the non-elected element, *but in all*

N. B. (*) **i.e.**, ***Great Britain*** and ***the United States.***

* See present edition, Vol. 22, p. 279.—*Ed.*

cases the veto of the Colonial Office is freely exercised upon measures passed by the assemblies. To this it should be added that in nearly all cases a *fairly high property qualification* is attached to the franchise, precluding the coloured people from exercising an elective power proportionate to their numbers and their stake in the country."

p. 131. "In a single word, *the new Imperialism has increased the area of British despotism*, far outbalancing the progress in population and in practical freedom attained by our few democratic colonies.

"It has not made for the spread of British liberty and for the propagation of our arts of government. The lands and population which we have annexed we govern, insofar as we govern these at all, by *distinctively* ***autocratic*** *methods*, administered chiefly from Downing Street, but partly from centres of colonial government, in cases where self-governing colonies have been permitted to annex."

p. 133. "The *pax Britannica*, always an ***impudent falsehood***, has become of recent years a grotesque monster of hypocrisy; along our Indian frontiers, in West Africa, in the Sudan, in Uganda, in Rhodesia, *fighting* ***has been well-nigh incessant.***"

p. 134. "Our economic analysis has disclosed the fact that it is ***only*** the interests of competing *cliques* of *businessmen*—investors, contractors, *export* manufacturers, and certain professional classes—that are antagonistic; that these cliques, *usurping* the authority and voice of the people, use the public resources to push their private businesses, and spend the blood and money of the people in this vast and disastrous military game, ***feigning national*** antagonisms which have no basis in reality."

pp. 135-36. "If we are *to hold all* that we have taken since 1870 and to compete with the new industrial nations in the further partition of empires or spheres of influence in Africa and Asia, *we must be prepared to fight.* The enmity of rival empires, openly displayed throughout the South African war,

is admittedly due to the policy by which we have forestalled, and are still seeking to *forestall*, these rivals in the *annexation* of territory and of markets throughout the world."

pp. 143-44. "The organisation of vast native forces, armed with 'civilised' weapons, drilled in 'civilised' methods, and commanded by 'civilised' officers, formed one of the most conspicuous features of *the latest stages of the great Eastern Empires, and afterwards of the Roman Empire*. It has proved one of the *most perilous devices* of ***parasitism***, by which a metropolitan population entrusts the defence of its lives and possessions to the precarious fidelity of 'conquered races', commanded by ambitious pro-consuls.

!! "One of the strangest symptoms of the *blindness* of Imperialism is the reckless indifference with which *Great Britain, France and other imperial* nations are embarking on this perilous dependence. Great Britain has gone farthest. *Most of the fighting by which we have won our Indian Empire* has been done by *natives*; in India, as more recently in Egypt, *great standing armies* are placed under British commanders; almost all the fighting associated with our African dominions, *except in the southern* part, has been done for us by natives."*

p. 151. "In Germany, France, and Italy the *Liberal* Party, as a factor in practical politics, has *either disappeared* or is reduced to impotence; in England it now stands convicted of a gross palpable betrayal of the first conditions of liberty, feebly fumbling after programmes as a substitute for principles.... This surrender to Imperialism signifies that they have preferred the economic interests of the possessing and speculative classes, to which most of their leaders belong, to the cause of Liberalism."

!! ha-ha!!

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* See present edition, Vol. 22, p. 279.—*Ed.*

p. 157. "Amid *this general decline* of parliamentary government the 'party system' is visibly *collapsing*, based as it was on plain cleavages in domestic policy which have ***little*** significance when confronted with the *claims and powers of* ***Imperialism***."

pp. 158-59. "Not merely is the *reaction* possible, it is ***inevitable***. As the despotic portion of our Empire has grown in area, a larger and larger number of men, trained in the *temper and methods of autocracy* as soldiers and civil officials in our ***Crown colonies***, protectorates, and Indian Empire, reinforced by numbers of *merchants*, planters, engineers and ***overseers***, whose lives have been those of a *superior caste* living an artificial life removed from all the healthy restraints of ordinary European society, have returned to this country, bringing back the *characters*, *sentiments*, *and ideas imposed by this foreign environment*."

Chapter II (162-206)—twaddle. **It is headed "The Scientific Defence of Imperialism" and devoted to a "scientific" (in reality, commonplace-liberal) refutal of Darwinist "biological", etc., "scientific justifications" of imperialism.**

pp. 204-05. "Suppose a *federal government of European nations* and their colonial offspring to be possible in such wise that internal conflicts were precluded, this peace of Christendom would be constantly *imperilled by the 'lower races'*, black and yellow, who, adopting the arms and military tactics now discarded by the 'civilised races', would overwhelm them in barbarian incursions, even as the ruder European and Asiatic races overwhelmed the Roman Empire."

peace and colonies

Two causes weakened the old empires: (1) "economic parasitism"; (2) formation of armies recruited from subject peoples.*

* Ibid., p. 279.—*Ed*.

p. 205. "There is first the habit of economic parasitism, by which the ruling State has used its provinces, colonies, and dependencies in order to enrich its ruling class and ***to bribe its lower classes into acquiescence***."*

N.B.

pp. 205-06. "This fatal conjunction of folly and vice has always contributed to bring about the downfall of Empires in the past. Will it prove fatal to a federation of European States?

"Obviously it will, if the strength of their combination is used for the same *parasitic purposes*, and the white *races*, *discarding labour in its more arduous forms*, LIVE AS A SORT OF WORLD ARISTOCRACY BY THE EXPLOITATION OF 'LOWER RACES', while they hand over the policing of the world more and more *to members of these same races*."

N.B. **N.B.**

p. 207. "Analysis of the actual course of ***modern*** (**N.B. concept**) Imperialism has laid bare the combination of economic and political forces which fashions it. These forces are traced to their sources in the ***selfish*** interests of certain industrial, ***financial***, and professional classes, seeking private advantages out of a policy of imperial expansion, and using this same policy to protect them in their economic, political, and social privileges against the pressure of democracy."

!!

pp. 210-11 (note 2). "How far the *mystification* of motives can carry a trained thinker upon politics may be illustrated by the *astonishing* argument of Professor Giddings, who, in discussing '*the consent of the governed*' as a condition of government, argues that 'if a barbarous people is compelled to accept the authority of a State more advanced in civilisation, the test of the rightfulness or wrongfulness of this imposition of authority is to be

on the question of self-determination

!!

* See present edition, Vol. 22, p. 279.—*Ed.*

found, not at all in any assent or resistance at the moment when the government begins, but only *in the degree of probability* that, after full experience of what the government can do to raise the subject population to a higher plane of life, a *free and rational consent will be given* by those who have come to understand all that has been done' (*Empire and Democracy*, p. 265). Professor Giddings does not seem to recognise that the entire weight of the ***ethical*** validity of this ***curious*** doctrine of retrospective consent is thrown upon the act of judging the *degree of probability that a free and rational consent will be given*, that his doctrine furnishes no sort of security for a competent, unbiassed judgement, and that, in point of fact, IT ENDOWS ANY NATION WITH THE RIGHT TO SEIZE AND ADMINISTER THE TERRITORY OF ANY-OTHER nation on the ground of a self-ascribed superiority and self-imputed qualifications for the work of civilisation."

!!

ethical socialist

pp. 212-18 **(a reply to those defending imperialism on the ground of 'Christian' missionary activity):** "What is the mode of equating the two groups of results? how much *Christianity and civilisation balance*, *how much industry and trade*? are curious questions which seem to need an answer."

bien dit!!

p. 214. "He" **(Lord Hugh Cecil in his speech on May 4, 1900, in the Society for the Propagation of the Gospel (!!!))** "thought that by making prominent to our own minds the importance of missionary work we should to some extent ***sanctify*** the spirit of Imperialism."

gem!

p. 224. "*The controlling and directing agent of the whole process*, as we have seen, is the pressure of *finan-*

"**finance capital**"

ial and industrial motives, operated for the direct, short-range, material interests of SMALL, ABLE, AND WELL-ORGANISED groups in a nation."

((from the side-lines, from afar, they look on and whip up passions, as during the Boer war.[34]))

pp. 227-28. "***Jingoism*** is merely the lust of the spectator, unpurged by any personal effort, risk, or sacrifice, gloating in the perils, pains, and slaughter of fellow-men whom he does not know, but whose destruction he desires in a blind and artificially stimulated passion of hatred and revenge. In the ***Jingo*** all is concentrated on the hazard and blind fury of the fray. The arduous and weary monotony of the march, the long periods of waiting, the hard privations, the terrible tedium of a prolonged campaign, play no part in his imagination; the redeeming factors of war, the fine sense of comradeship which common personal peril educates, the fruits of discipline and self-restraint, the respect for the personality of enemies whose courage he must admit and whom he comes to realise as fellow-beings—*all these moderating elements in actual war are eliminated from the passion* of the ***Jingo*** . It is precisely for these reasons that some friends of peace maintain that the two most potent checks of militarism and of war are the obligation of the entire body of citizens to undergo military service and the experience of an invasion.

quaint!

..."It is quite evident that THE SPECTATORIAL LUST OF JINGOISM is a *most serious factor* in *Imperialism*. The dramatic falsification both of war and of the *whole policy of im-*

perial expansion required to feed this popular passion forms no small portion of the art of the *real organisers* of imperialist, exploits, the small *groups of businessmen and politicians who know what they want and how to get it.*

"Tricked out with the real or sham glories of military heroism and the magnificent claims of empire-making, ***Jingoism*** becomes a NUCLEUS OF A SORT OF PATRIOTISM which can be moved *to any folly* or *to any crime.*" **sic!**

pp. 232-33. "The area of danger is, of course, far wider than Imperialism, covering the whole field of *vested interests.* But, if the analysis of previous chapters is correct, *Imperialism stands as a first defence of these interests*: for the ***financial*** and speculative classes it means a pushing of their private businesses at the public expense, for the *export* manufacturers and merchants a forcible enlargement of ***foreign*** markets and a related policy of Protection, for the *official* and *professional* classes large *openings* of *honourable and lucrative employment*, for the ***Church*** it represents the temper and practice of authority and the assertion of spiritual control over vast multitudes of lower people, for the *political oligarchy* it means the only effective *diversion of the forces of democracy* and the opening of great public careers in the showy work of empire-making." "**diversion**"

p. 238. Mr. Kidd, Professor Giddings and the "***Fabian***" (N.B.) ***Imperialists*** ascribe the need for "a control of the tropics by 'civilised' nations" to *material* necessity. The natural riches of tropical countries "are of *vital importance to the maintenance and progress of Western civilisation....* Partly **!!**

from sheer growth of population in temperate zones, partly from the rising standard of material life, this dependence of the temperate on the tropical countries must grow". Ever larger areas of the tropical countries have to be cultivated. At the same time, owing to the characteristics which the hot climate develops in the local inhabitants, the latter are incapable of progress: they are feckless, their wants do not grow larger. "The resources of the tropics will not be developed voluntarily by the natives themselves" (239).

pp. 239-40. "We cannot, it is held, *leave these lands barren*; it is our duty to see that they are developed for the good of the world. White men cannot 'colonise' these lands and, thus settling, develop the natural resources by the labour of their own hands; *they can only organise and superintend* the labour of the natives. By doing this they can ***educate*** the natives in the arts of industry and stimulate in them a desire for material and moral progress, implanting new 'wants' which form in every society the roots of civilisation."

!!!

p. 251. "In a word, until some genuine international council exists, which shall accredit a civilised nation with the duty of educating a lower race, the claim of a 'trust' is nothing else than an ***impudent act of self-assertion***."

(*)

(*)!! trust (the colonies "trust" that they will be educated, they trust this "business" to the metropolises)!!

pp. 253-54. A trust of the chief European powers would mean the exploitation of the non-European countries. The Europeans' rule in China "sufficiently exposes the hollowness in actual history of the claims that considerations of a trust for civilisation animate and regulate the foreign policy of Christendom, or of its component nations.... *When any common international policy* is adopted for dealing with *lower* races it has partaken *of the nature, not of a moral trust, but of a business deal*'".

(((On the question of a United States of Europe!!)))

pp. 259-60. "The widest and ultimately the most important of the struggles in South Africa is that between the policy of Basutoland and that of Johannesburg and Rhodesia; for there, if anywhere, we lay our finger on the difference between a '*sane*' *Imperialism*, devoted to the protection, education and self-development of a 'lower race', and an '*insane*' *Imperialism*, which hands over these races to the economic exploitation of white colonists who will use them as 'live tools', and their lands as repositories of mining or other profitable treasure."

p. 262 (note). "In the British Protectorate of Zanzibar and Pemba, however, ***slavery still exists*** ... and British courts of justice recognise the status".... Liberation proceeds too slowly, many being interested persons. "Out of an estimated population of 25,000 slaves in Pemba, less than 5,000 had been liberated so far under the decree." **!!**

The sultan's decree on liberation of slaves was promulgated in 1897, but this statement was made in 1902, on April 4, at a meeting of the Anti-Slavery Society. **((1897-1902))**

p. 264. "The real history of Imperialism ***as distinguished from*** Colonialism clearly illustrates this tendency" **(the tendency to make the natives exploit *their* land for *our* benefit).**

p. 265. "In most parts of the world a purely or distinctively ***commercial*** motive and conduct have furnished the nucleus out of which ***Imperialism*** has grown, the early trading settlement becoming an industrial settlement, with land and ***mineral concessions*** growing round it, an industrial settlement involving ***force*** for protection, for securing further concessions, and for checking or punishing infringements of agreement or breaches of order; other interests, political and

religious, enter in more largely, the original commercial settlement assumes a *stronger political and military character*, the reins of government are commonly taken over ***by the State from the company***, and a vaguely defined protectorate passes gradually into the form of a colony."

p. 270. The local inhabitants are forcibly compelled to work for industrial companies; this is sometimes done in the guise of organising a "militia" from the local population, ostensibly for defence of the country but in fact it has to work for the European industrial companies.

N.B.

p. 272. A boat comes to the shore, the chiefs are captivated by gifts of beads and trinkets, in return for which they put their mark to a "treaty", the meaning of which they do not understand. The treaty is signed by an interpreter and the adventurer who has come to the country, which is thereafter regarded as the ally **(colony)** of the country from which he has come, France or Great Britain.

!!

p. 280. Where direct slavery has been abolished, ***taxation*** is the means by which the natives are forced to go to work. "These taxes are not infrequently applied so as to dispossess natives of their land, force them to work for wages, and even to drive them into insurrections which are followed by wholesale measures of confiscation."

p. 293. "But so long as the private, short-sighted business interests of white farmers or white mine-owners are permitted, either by action taken on their own account or through pressure on a Colonial or Imperial Government, to invade the lands of 'lower peoples', and transfer to their private profitable purposes the land or labour, the first law of '***sane***' ***Imperialism*** is violated, and the phrases about *teaching 'the dignity of labour'* and raising races of 'children' to manhood, whether used by directors of mining companies or by statesmen in the House of Commons, *are little better than wanton exhibitions of* ***hypocrisy***. They are based on a FALSIFICATION OF THE FACTS, AND A PERVERSION OF THE MOTIVES which actually direct the policy."

p. 295. "The stamp of '*p a r a s i t i s m*' is upon every ***white settlement*** among these lower races, that is to say, nowhere are the relations between whites and coloured people such as to preserve a wholesome balance of mutual services. The best services which white civilisation might be capable of rendering, by examples of normal, healthy, white communities practising the best arts of Western life, are precluded by climatic and other physical conditions in almost every case: the presence of a scattering *of white officials*, *missionaries*, *traders*, *mining or plantation o v e r s e e r s*, a ***dominant*** male caste with little knowledge of or sympathy for the institutions of the people, is ill-calculated to give to these lower races even such gains as Western civilisation might be capable of giving." **N.B.**

p. 301. "The Rev. J. M. Bovill, rector of the Cathedral Church", is "the professional *harmoniser of G o d a n d M a m m o n*". In his book *Natives under the Transvaal Flag*, he describes how the natives are allowed to erect tents near the mines, which enables them to "live more or less under the same conditions as they do in their native kraals". All this is mere ***hypocritical*** phrase-mongering; the life of the natives "is entirely agricultural and pastoral", but they are compelled to *labour* in the mines for a wage.

p. 304. "The natives upon their locations will be *ascripti glebae*, living in complete serfdom, with no vote or other political means of venting their grievances, and with no economic leverage for progress."

pp. 309-10. "But millions of peasants in India are struggling to live on *h a l f a n a c r e*. Their existence is a *constant struggle with starvation*, ending too often in defeat. Their difficulty is not to live *human* lives—lives up to the level of their poor standard of comfort—but to live at all and not die.... We may truly say that in India, except in the irrigated tracts, famine is chronic—endemic." **(size of peasant holdings in India)** **N.B.**

p. 323. "The delusion" (**that "we are civilising India**") "is only sustained by the sophistry of

Imperialism, which weaves these fallacies to cover its nakedness and the advantages which certain interests suck out of empire."

p. 324. "The *new* Imperialism differs from the older, first, in substituting for the ambition of a single growing empire the theory and the practice of ***competing empires***, each motived by similar lusts of political aggrandisement and commercial gain; secondly, in the *dominance* of ***financial*** or *investing* over mercantile interests."*

N.B.: the difference between the *new* imperialism and the old

pp. 329-30. "It is at least conceivable that China might so turn the tables upon the Western industrial nations, and, either by adopting their capital and organisers or, as is more probable, by substituting her own, might *flood their markets* with her cheaper manufactures, and refusing their imports in exchange might take her payment in liens upon their capital, reversing the earlier process of investment until she gradually obtained financial control over her quondam patrons and civilisers. **This is no idle speculation.**" **(China may awaken)**....

pp. 332-33. "Militarism may long survive, for that, as has been shown, is serviceable in many ways to the maintenance of a ***plutocracy***. Its expenditure furnishes a *profitable support* to certain strong vested interests, it is a *decorative* element in social life, and ***above all*** it is necessary to *keep down* the pressure of the forces of internal reform. Everywhere the power of capital in its more concentrated forms is better organised than the power of labour, and has reached a further stage in its development; ***while labour has talked of international co-operation, capital has been achieving it***. So far, therefore, as the greatest financial and commercial

bien dit!!

* See present edition, Vol. 22, p. 269.—*Ed.*

interests are concerned, it seems quite probable that the coming generation may witness so powerful an international union *as to render wars between the Western nations almost impossible*. Notwithstanding the selfish jealousies and the dog-in-the-manger policies which at present weaken European action in the Far East, the *real drama* will begin when the forces of international capitalism, claiming to represent the civilisation of united Christendom, *are brought to bear on the peaceful opening up of* ***China***. It is ***then*** that the real 'yellow peril' will begin. If it is unreasonable to expect that China can develop a *national* ***patriotism*** which will enable her to *expel* the Western exploiters, she must then be *subjected* to a process of disintegration, which is more aptly described as 'the break-up' of China than by the term 'development'.

("**a United States of Europe**"

"Not until then shall we realise the full *risks* and ***folly*** of the most stupendous *revolutionary* enterprise history has known. The Western nations may then awaken to the fact that they have permitted certain little cliques of private profit-mongers *to engage them in a piece of Imperialism* in which every cost and peril of that hazardous policy is *multiplied a hundred-fold*, and from which there *appears no possibility of safe* withdrawal."

p. 335. **((N.B.: the prospect of parasitism.))** "The *greater* part of *Western* Europe might ***then*** assume the appearance and character already exhibited by ***tracts*** of country in the *South of England*, in the ***Riviera***, and in the tourist-ridden or residential parts of *Italy* and ***Switzerland***, *little clusters* of wealthy ***aristocrats*** drawing dividends and pensions from the *Far East*, with a somewhat larger group of professional *retainers* and *tradesmen* and a larger body of *personal servants and workers in the transport trade* and in the ***final*** stages of pro-

duction of the more perishable goods: all the main arterial industries would have disappeared, the staple *foods and manufactures flowing in as* ***tribute*** *from Asia and Africa*."*

p. 337. "But the economic *raison d'être* of Imperialism in the opening up of China is, as we see, quite other than the maintenance of ordinary commerce: it consists in establishing a vast new market for Western investors, the profits of which will represent the gains of an investing class and not the gains of whole peoples. The normal healthy processes of assimilation of increased world-wealth by nations are inhibited by the nature of this Imperialism, *whose essence consists in developing markets for investment, not for trade*, and in using the superior economies of cheap foreign production to supersede the industries of their own nation, and to maintain the political and economic domination of a class."

essence of imperialism

p. 346. "For ***Europe*** to rule ***Asia*** by force for purposes of gain, and to justify that rule by the pretence that she is civilising Asia and raising her to a higher level of spiritual life, will be adjudged by history, perhaps, *to be the crowning wrong and folly of Imperialism*. What Asia has to give, her priceless stores of wisdom garnered from her experience of ages, we refuse to take; the much or little which we could give we spoil by the brutal manner of our giving. This is what *Imperialism* has done, *and is doing*, ***for Asia***."

p. 350. "Speaking on Mr. Gladstone's Home Rule Bill in 1886, Mr. Chamberlain said: 'I should look for the solution in the direction of the *principle of* ***federation***. My right honourable friend has looked for his model to the relations between this country and her self-governing and practically independent colonies.'" But federation is better, for then Ireland would remain an integral part of Great

* See present edition, Vol. 22, pp. 279-80.—*Ed*.

Britain, whereas with self-governing colonies the connection is only a moral one. At the present time the development of democracy is towards federation, union, and not separation **(all this is from Chamberlain's speech)**.

Chamberlain is for federation against separation, against "centrifugal" tendencies.[35]

p. 351. "Christendom thus laid out in a few great federal Empires, each with a retinue of uncivilised dependencies, seems to many the most legitimate development of present tendencies, and one which would offer the best hope of permanent peace on an assured basis of inter-Imperialism."*

N.B. *cf.* Kautsky on "ultra-imperialism"

Suggests that the idea is growing of pan-Teutonism, pan-Slavism, pan-Latinism, pan-Britishism, etc., there appears a series of "Unions of States".

The outcome of Kautsky's "ultra-imperialism" and of a United States of Europe *based on* capitalism would be: "inter-imperialism"!!

pp. 355-56. The "United Kingdom", with the present imperialist policy, "cannot bear the financial strain of the necessary increase of ships without substantial colonial assistance". This can lead to the separation of the colonies, whose interests are not bound up with (Great Britain's) imperialist policy, in deciding which **(policy)** they can have no voice. Each of them—as a federal country—would have only an insignificant minority, in view of the huge number of British colonies, which in most cases have very little in common. "Imperial federation" is advantageous to Great Britain and disadvantageous to the colonies.

p. 373. "The new Imperialism ***kills*** a *federation of free self-governing States*: the colonies may look at it, but they will go their way as before."

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* Ibid., pp. 293-94.—*Ed.*

pp. 378-79. "The recent habit of investing capital in a foreign country has now grown to such an extent that the well-to-do and politically powerful classes in Great Britain *today derive a large and ever-larger proportion of their incomes from capital invested outside the* ***British Empire***. This growing ***stake*** of our wealthy classes in countries over which they have ***no*** political control is a ***revolutionary*** force in modern politics; it means a constantly growing tendency to use their political power as citizens of this state to *interfere* with the political condition of those States where they have an industrial stake.

policy of finance capital

"The essentially ***illicit*** nature of this use of the public resources of the nation to safeguard and improve private investments should be clearly recognised."

p. 380. "These forces are commonly described as capitalistic, but the gravest danger arises not from ***genuine*** industrial investments in foreign lands, but from the *handling of stocks and shares based upon these investments by financiers*."

((petty-bourgeois utopia!!))

pp. 381-82. "Analysis of ***Imperialism***, with its natural supports, militarism, oligarchy, bureaucracy, protection, concentration of capital and violent trade fluctuations, has marked it out as the *supreme danger of modern national States*. The power of the imperialist forces within the nation to use the national resources for their private gain, by operating the instrument of the State, ***can only*** *be overthrown by the establishment of a genuine democracy*, the direction of public policy by the people ***for the people*** through representatives over whom they exercise a real control. Whether

petty-bourgeois democrat!!

this or any other nation is yet competent for such a democracy may well be a matter ***of grave doubt***, but until and unless the ***external policy*** of a nation is 'broad-based upon a people's will', there appears little hope of remedy."

democratisation of *foreign* policy

pp. 382-83. "*Imperialism* is only beginning to realise its full resources, and to develop into a fine art the management of nations: the broad bestowal of a franchise, wielded by a people whose education has reached the stage of an uncritical ability to read printed matter, favours immensely the designs of keen business politicians, who, by controlling the press, the schools, and where necessary the churches, *impose Imperialism upon the masses under the attractive* ***guise of sensational patriotism.***

"The ***chief*** economic source of Imperialism has been found in the ***inequality*** of industrial opportunities by which a favoured class accumulates superfluous elements of income which, in their search for profitable investments, press ever farther afield: the influence on State policy of these investors and their financial managers secures a *national alliance of other vested interests* which are threatened by movements of social reform: the adoption of ***Imperialism*** thus serves the ***double*** purpose of securing private material benefits for favoured classes of *investors* and traders at the public cost, while sustaining the *general cause of conservatism* by ***diverting*** public energy and interest from domestic agitation to external employment."

p. 383. "To term ***Imperialism*** a *national* policy is an ***impudent falsehood***: the interests of the ***nation*** are opposed to every act of this *expansive* policy. Every enlargement of Great Britain in the tropics is a distinct enfeeblement of *true British nationalism.* Indeed, Imperialism is commended in some quarters for this very reason, that by breaking the narrow bounds of nationalities it facilitates and forwards internationalism. There are even those who *favour or condone*

à la Cunow and Co.!!

the forcible suppression of small nationalities by larger ones under the impulse of Imperialism, because they imagine that this is the natural approach to a world-federation and eternal peace."

The defenders of imperialism favour swallowing up small nations!!

p. 384. "The hope of a coming internationalism enjoins above all else the maintenance and natural growth of *independent nationalities*, for without such there could be no gradual evolution of internationalism, but only a series of unsuccessful attempts *at a chaotic and unstable cosmopolitanism*. As individualism is essential to any sane form of national socialism, *so nationalism is essential to internationalism*: no organic conception of world-politics can be framed on any other supposition.

hodge-podge

pp. 384-85. Insofar as the **possibility** exists of true national governments representing the interests of the people and not of a handful of oligarchs, **to that extent** clashes between nations will be eliminated and peaceful internationalism **(along the lines of postal conventions, etc.)** based on common interests between nations will increasingly develop. "The economic bond is far stronger and more reliable as a basis of growing internationalism than the so-called racial bond" (pan-Teutonic, pan-Slav, pan-British, etc.) "or a political alliance constructed on some short-sighted computation of a balance of power.

pp. 385-86. "We have foreshadowed the possibility of even a larger alliance of Western States, *a European federation of Great Powers* which, so *far from forwarding the cause of* world-civilisation, *might introduce the gigantic peril of a Western parasitism*, a group

of *advanced industrial nations*, whose ***upper*** classes drew vast tribute from *Asia* and *Africa*, with which they supported great tame masses of retainers, no longer engaged in the ***staple*** industries of agriculture and manufacture, but kept in the performance of personal or minor industrial services under the control *of a new financial aristocracy*. Let those who would *scout such a theory* as undeserving* of consideration examine the economic and social condition of *districts* in *Southern England* today which ARE ALREADY REDUCED TO THIS CONDITION, and reflect upon the vast extension of such a system which might be rendered feasible by the *subjection of China* to the economic control of similar groups of *financiers*, *investors*, and political and business officials, draining the *greatest* potential reservoir of profit the world has ever known, in order to *consume it in Europe*. The situation is far too complex, the play of world forces far too incalculable, to render this or any other single interpretation of the future *very probable*; but the influences which govern the ***Imperialism*** of Western Europe today *are moving in this direction*, and, unless *counteracted* or diverted, make *towards some such consummation*.**

N.B.

true

"If the ***ruling*** classes of the Western nations could realise their interests in such a combination (and each year sees capitalism more obviously international), and if China were unable to develop powers of forcible resistance, the opportunity of a *parasitic Imperialism* which should reproduce upon a vaster scale *many of the main features of the later Roman Empire visibly presents itself*."

* In *Imperialism, the Highest Stage of Capitalism*, Lenin inserts in brackets: "It would be better to say: prospect" (see present edition, Vol. 22, p. 280, and Vol. 23, p. 109).—*Ed.*

** See present edition, Vol. 22, p. 280.—*Ed.*

p. 389. "The ***new*** Imperialism differs in no vital point from this old example" (the Roman Empire). It is just as much a ***parasite***. But the laws of nature, which doom *parasites* to destruction, apply not only to individuals, but to nations. The complexity of the process and disguising its substance can *delay but not avert final collapse*. "The claim that an *imperial* state forcibly subjugating other peoples and their lands does so for the purpose of rendering services to the conquered equal to those which she exacts is notoriously ***false***: she neither intends equivalent services nor is capable of rendering them."

End

NOTEBOOK "λ" ("LAMBDA")

Contents

λ

SEMBAT, *EITHER PEACE OR A KING*

Marcel *Sembat*, *Faites un roi sinon Faites la Paix*,[36] **Paris, 1913 (Eug. Figuière). 5th edition ((278 pp.))** (Published July 20, 1913.)

"What if we were to discover, for example, that we are involved in a system of alliances which, owing to the armaments race, leads us straight to war; and that, nevertheless, this system rests on a basis which itself could suffice to ensure peace?" (p. xi).

"Are you not aware, then, that every day modern war becomes more and more like an industrial enterprise? That mobilisation is a huge industrial operation? That, like any industrial operation, it requires technical knowledge and ability?" (p. 13).

"Yes! One can imagine a republic less divorced from all the conditions of life and activity. This is the more necessary because the present republic is not only incapable of making war, as I have tried to indicate in the preceding pages, but is also quite incapable of making peace" (p. 25).

"Do not tell me that one can do without this, that you want no conquest, that you seek only to defend yourself: pure verbiage" (p. 28).

"After the Agadir crisis, I proposed one day in the Chamber of Deputies that we attempt to set up a new body" (p. 31).

"The proposal was for a council composed of all ex-Ministers of Foreign Affairs to direct foreign policy" (p. 31).

"Bring together all the ex-Ministers of Foreign Affairs? But, my dear friend, each one would think only of playing a trick on his successor! What can you be thinking of?" (p. 33).

N.B. "*The modern financial history of France*, if it were ever sincerely written, would be the history of a multitude of individual acts of plunder, like the sack of a conquered city!

N.B. "It is the history of a brainless nation put to the sack by adroit financiers. Let us see what happens when the French state is confronted, not by its own nationals, but by foreign governments" (p. 41).

"To win her* over, M. Delcassé offered her a good piece of Morocco and the promise of our friendly support and military and financial assistance. On condition of a reciprocal service! Two hundred thousand good Spanish soldiers would marvellously fill the gap in our military effectives" (p. 49).

"How many months have we allowed to elapse before recognising the Portuguese Republic?

"At the time of writing, we have still not recognised the Chinese Republic; the United States already treats it as an important personage! But we have sacrificed it to the financiers.

"When Norway was hesitating, did we make a gesture, or even say a word? Yet she was expecting it!" (p. 65).

"Were it not for our twenty years of deliberately quietening and discouraging the Spanish revolutionaries, there would be another republic besides Portugal! We would not have had to buy an alliance with Spain with bits of Morocco! We would not have had to discuss reinstating the law on three years' military service" (p. 68).

"My friend Jaurès, incidentally, has repeatedly told me: 'You exaggerate the danger. One should not believe that war is infallibly bound to break out. Every passing year consolidates peace and lessens the chances of war.

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* Spain—*Ed.*

Are they not increased, on the other hand, by our predicting a conflict?'

"I should be glad if I could share this confidence and persuade myself that our joint efforts will dispel this danger for a long time to come. It is because I fear just the opposite, and, by reflecting on this matter for several years, I have felt the opposite idea growing and strengthening in me, that I have written this book" (pp. 76-77).

"Again, how can you expect the Germans to take our peace assurances seriously when the most notorious advocates of revenge declare themselves friends of peace?

"They are led to conclude that France wants revenge and only discretion prevents us from saying so aloud. They feel that we are on our guard, ready to use any opportunity that promises us victory. I ask all Frenchmen of good faith: Are they so wrong? Dare you, in your heart of hearts, affirm that they are wrong? If a clear, unique opportunity were really to occur, putting an enfeebled Germany at the mercy of our blows and offering us certain victory, would we hesitate to seize her? Who among us can guarantee that the will to peace would prevail and that a violent wave of bellicose patriotism would not overwhelm all resistance?" (p. 88).

"A defensive war is just as much a war as an offensive one, and the idea of defence can lead to attack" (p. 91). **N.B.**

"That must be whole-heartedly encouraged! Socialists readily sneer at pacifist efforts! They regard them as a kind of international philanthropy *which, if it does not seek* to deceive others, *deceives itself*, and which closes its eyes to the economic determinism of war, just as private philanthropy takes no account of the mechanism that produces poverty. **N.B.**

"Nevertheless, socialists are wrong to sneer. That does not prevent the majority of socialist deputies from joining the Arbitration Group and supporting all its demonstrations" (p. 93).

"Léon Bourgeois has reached the lofty idea of a Federation of Peoples and of a United States of Europe! Well! Now we are in the vicinity of the International!" (p. 95).

...“The whole proletariat!... an uprising rather than war ... the poisonous press ... the capitalist plots ... Creusot ... the arms manufacturers ... to capitalist force we shall oppose working-class revolt...” (p. 106).

“The people of Paris send fraternal greetings to the German people and declare their readiness to resist by all means, if necessary by a general strike and insurrection, the criminal doings of the war-makers...” (pp. 106-07).

“At bottom I think there is a little uneasiness, the uneasiness of people who are afraid to admit their thoughts” (p. 108).

“‘In the event of war, they will see very well! There *will** be something in the working-class districts!’

“There will? Yes! We have shouted very loud to inspire fear, but we are not at all sure that we can control the thunder, the roaring of which we are imitating.

“The general strike? Yes! The trade unions have voted for it! They will march! Insurrection? The barricades? Yes! The working-class districts will come into action especially if the people believe we are the aggressors, the provokers.

“But what if we are the provoked? If Wilhelm attacks us without further ado?

“‘The German socialists are there to take action!’ That phrase is meant for the opponent or the doubter, and also for the doubter within each of us: it is uttered in a decisive, peremptory tone. But then the inner voice murmurs: ‘And what if the German socialists, like ourselves, have more good will than power?... Take note: the chauvinist press is devilishly cunning when it is a question of confusing the issue, on both sides of the frontier!’” (pp. 108-09).

“And there will be new appeals, articles, more paper! Written by people who dare not say everything, and read by people who dare not admit everything!” (p. 110).

“The black list B is being drawn up at the War Ministry against us alone. In the event of war, it is we who are supposed to threaten the government with recourse to violence” (p. 112).

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* Sembat’s italics.—*Ed.*

"If we feel that we are being provoked, there will be a general commotion, an irresistible stream which, as in Italy, will carry away everything like straws in its overwhelming flood!" (p. 114).

"Better an insurrection!...

"I agree!... Can you visualise the place, the circumstances, the street, the features of the comrades, the number of the newspaper?" (p. 115).

"I fear we shall be able to do nothing when it breaks out" (p. 117).

"There you have the immense service so many times rendered to France by our eminent friend Edouard Vaillant when, at all tragic moments, he hurled in the face of the rulers his famous challenge: '*Better an insurrection than war!*'*

"The rulers understood: 'Let us be more cautious! Let us not imprudently risk war! Let us not light-mindedly risk defeat! It might perhaps be a new September 4!'" (p. 119).

"The beautiful days of Basle, when the processions of the International were thronging the steep streets on their way to the old cathedral!" (pp. 120-21).

"Of the three hundred thousand internationalists in Treptow, how many would have consented to leave a defenceless Germany to face the blows of the chauvinists?

"Not one! Bravo! I congratulate them! Nor shall we agree to surrender France to the pan-Germanists!" (p. 122).

"And so, in each country we rise against our government to prevent it from starting a war, and we put the International above the local fatherlands" (p. 122).

"It follows from this *that today one must not count on us, any more than on the pacifists, to preserve and guarantee the peace of Europe in all circumstances and against all dangers.**

"Sad truth? Whom are you telling that? But it is the truth! It is good to tell it!" (p. 123).

"Let us realise that to cry: 'Down with war! War against war!' without having in mind any practical effort to pre-

* Sembat's italics.—*Ed.*

vent an actual conflict, is to dabble in exorcism, sorcery, magic" (p. 124).

"Magic—the proclamation of an unsatisfied desire, which by means of mimicry hopes to hasten the hour of its satisfaction!" (p. 125).

"The possibility of an insurrection is, as I have said, a powerful means of pressure and an excellent threat. But when the time for threats has passed? When war has been declared?" (p. 126).

"What is to be done? Proclaim the Commune in each town, raise the red flag, revolt, with the insurgents choosing death rather than give way to the troops of the two countries? And are we, scientific socialists, to swallow this nonsense? For modern warfare is a big industrial enterprise. An insurgent town against an enemy army, without artillery, without munitions, is a handicraft worker against a large factory. A modern army would swallow the insurgent towns one after the other, like eating strawberries. In a twentieth-century war, that would be settled in a week! By a hurricane of shells and concentrations of artillery! How the devil would our towns find the time to unite and organise a joint defence, that is to say, if I am not mistaken, to return to a national army capable of withstanding the blow?

"...Heroic sacrifice is the beautiful impulse of a moment: it is not the programme for a party! It is not a tactic! Nor is it a serious military operation, or a strategy!" (p. 127).

"To shout vaguely: 'Down with war!', to threaten the sky with clenched fists and to imagine that this is a safeguard against war, is sheer childishness! It is not enough to fear war in order to save oneself from it, nor to curse it in order to avoid it" (pp. 128-29).

"No treaty obliges us to that. We do it voluntarily; each year, of our own good will we deprive French industry of its natural food while nourishing foreign industry with our savings. Everyone knows it. Everyone approves of it" (p. 199).

"'You give no thought to the fact,' he said, 'that they will demand the admission of German securities on the Paris Stock Exchange!'

"I have given much thought to it, and M. de Waleffe is quite right. In fact, the Germans will certainly demand that" (p. 202).

"For France, the sole result of a Franco-German entente should be to finally establish European peace and ensure for the future the conditions for France's free development and legitimate influence in a consolidated Western Europe" (p. 213).

"To unite with them" **((with whom?))** "to destroy the Germans or put them under their yoke, which we, too, would not escape for long, would mean showing the world a France working on the side of barbarism against civilisation" (p. 218).

"We have heard enough about limitation of armaments! about 'progressive and simultaneous' disarmament!

"These are exactly the proposals my old friend Dejeante put forward, with the boldness of youth, some fifteen or twenty years ago!" (p. 225).

"For my part, I make no attempt to conceal my opinion that a Franco-German rapprochement would be a tremendous historical development, fraught with great consequences and inaugurating a new era for the whole world. On the one hand, in present circumstances, it would be positive, narrow and limited, and, for France, dictated solely by the desire to avoid an imminent war. On the other hand, for the future, it would, I believe, be the embryo of a United States of Europe" (p. 230).

"...it would be the prelude to an invasion like that of the Burgundians or the Normans, a movement of races" (p. 244).

"The point is that the war instinct is intimately and deeply bound up with the idea of fatherland" (p. 246).

"'Down with war!...' Have you noticed one thing? There are never shouts of 'Long live peace!' at anti-war meetings.

"Never! or almost never!...

"Acclaim peace? We have come here to protest against and combat a scourge, an abomination, war, which we hate, and the scoundrels who are preparing it.

"'But, since you hate war, you must love peace!'

"That seems clear, logical, irrefutable. Yet, despite this logic, something deeply imbedded in the spirit of the people says no. And the spirit of the people is right.

"'Long live peace!'—just that cry and no more? Consequently, this peace suits us? We are satisfied? Never! If you like, let us shout: 'Long live the social revolution!' but not 'Long live peace!'. Down with war is all right because its meaning is clear and true. Yes, we hate all war of whatever kind; but it is not true that we love all peace. The working people do not love bourgeois peace, a peace in which, without a battle, they are treated as vanquished. They feel vaguely that by acclaiming such a peace they will create the impression that their only desire is to end the inquietude and return to the everyday routine, to the drudging of the treadmill.

"That is not the case at all!" (pp. 249-50).

"Our militants sense the mood of the crowd" (p. 251).

"But, at the bottom of his heart, he feels that the enthusiasm of the peasant, engendered by his dream of glory, is so bright a flame that one day of this fire is worth more than a whole life of benumbed torpor; and that the young man who will be killed next week on the fortifications of Tchataldja will have lived longer than if he died in his fields at the age of seventy-five.

"He feels this deeply, and if he despises this warlike enthusiasm, it is because he knows another enthusiasm and another war, which seem to him to be superior, and from the height of which he contemplates with compassion and disdain this old enthusiasm of the soldier, which he has known and outlived" (pp. 252-53).

"The worker who has nothing in peacetime, has nothing to lose in wartime. He risks only his skin, but in return he receives a rifle. And with this rifle, he could do a lot. He longs for that. No, it is certainly not economic interest that inspires the worker's hatred of war" (p. 255).

"Do you know what Germany would most certainly win by a new war against France?

"'The Lorraine ore deposits, perhaps?'

"No, much more! At the walls of Paris she will acquire Belgium and Holland, no less. Lower Germany ... and its colonial dependencies, which are considerable" (p. 257).

"For us, the frontiers of the present fatherlands are not

eternal, impassable barriers ... and we see rising above the French horizon the new sun of the United States of Europe" (p. 268).

"If we succeed in organising peace and Europe, then, I believe, the Republic, the Fatherland and the International will be in full accord, and we shall not have to relegate the Republic to the lumber-room" (p. 272).

LIST OF QUOTATIONS FROM SCHULZE-GAEVERNITZ'S *BRITISH IMPERIALISM*[37]

43 upper stratum of workers and the mass of workers versus the church
56 from the top
73 colonial possessions (*have doubled*)
75 (a second Ireland)
87 imperialism of the end of the 19th century
104 Multatuli
119 glacis
122 national economy as a whole
159 the pound sterling before the 20th century
174 Canada
217 (ditto)
401 idealism in the service of imperialism!
402 Germany at the head of mankind
412 (Jebb)
415 (No. 53)
422 Holland
423 (No. 104), idem No. 111 Hobhouse, ibidem No. 112 Marcks
426 No. 116 and 118
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SCHULZE-GAEVERNITZ, *BRITISH IMPERIALISM*

Dr. G. von *Schulze-Gaevernitz*, *British Imperialism and English Free Trade at the Beginning of the Twentieth Century*, Leipzig, 1906 (477 pp.).

Scoundrel of the first order and vulgar to boot, Kantian, pro-religion, chauvinist,—has collected some very interesting facts about British imperialism and has written a lively, readable book. Travelled in Britain and collected a mass of material and observations. You've done a lot of plundering, you British gentlemen; allow us, too, a bit of plundering—with Kant, God, patriotism, and science to "sanctify" it = such is the sum and substance of the position of this "savant"!!

(Also a lot of needless verbiage)

Introduction describes the "foundations of British world power"—the struggle against Holland, France ... the important role of puritanism, religious feeling ((especially)), sexual discipline, etc., etc.

N.B. workers' *upper stratum* and religion

In Britain, "religious sects have their stronghold in the middle classes, and partly in the **upper stratum of the workers**, whereas the broad middle strata of workers, especially those of the big towns, are in general little susceptible to religious influences".

the republic and imperialism!!!!

p. 56: The Republic and Cromwell gave a tremendous impetus to imperialism in Britain, and *especially* to the building of the navy: under Charles not more than *two* "ships of the line" were built annually; under the Republic, *22* ships were built in a single year (1654).

And at the apogee of Manchesterism and free trade, foreign policy went forward with particular rapidity: *1840-42* Opium War; naval expenditure (p. 73):

1837 3s. 3d. per capita
1890 10s. 0d. " "

"colonies *doubled*"

Between 1866 and 1900 colonial possessions *doubled* (ibidem).

"Sir Robert Peel said long ago: 'In every one of our colonies we have a second Ireland'"... (75). — N.B.

Towards the end of the nineteenth century, the British Empire's appetite was insatiable: Burma, Baluchistan, Egypt, the Sudan, Uganda, Rhodesia, the South African republics were being devoured" (87).

Incidentally, there is a mention of *Multatuli*, his description of European administration of the colonies (104). — to be verified!!

..."The Asiatic states, which Lord Curzon has called 'the glacis of the Indian fortress': Persia, Afghanistan, Tibet and Siam" (119).

"Great Britain is gradually becoming transformed from an industrial into a *creditor state*. Notwithstanding the absolute increase in industrial output and the export of manufactured goods, there is an increase in the relative importance of income from interest and dividends, issues of securities, commissions and speculation for the whole of the national economy. In my opinion, it is precisely this that forms the economic basis of imperialist ascendancy. N.B. The creditor is more firmly attached to the debtor than the seller is to the buyer"* (122). — true!!

"He [Peel] thereby" (by establishing and safeguarding a gold currency) "raised the pound sterling to the level of world money—a position which it monopolised until the end of the nineteenth century" (159). — *N.B.*: "monopoly" until the end of the 19th century

"To substantiate these views" (in favour of a customs union of the colonies and Great Britain) "reference is made to the damage imperialist tariff policy causes German exports to Canada.

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* See present edition, Vol. 22, p. 278.—*Ed.*

Canada is the only country where Germany's trade expansion has recently come to a halt. This is in contrast to the powerful growth of British trade, and to the advantage of the West Indian sugar producers" (p. 174).

to be returned to

(N.B.)

	Exports to Canada British (£ mill.)	German (£ mill.)	German sugar exports to Canada (mill. *marks*)
1898	5.8	1.2	—
1899	7.0	1.2	—
1900	7.6	1.0	4.3
1901	7.8	1.3	6.2
1902	10.3	1.9	9.2
1903	11.1	1.8	2.4
1904	10.6	1.2	0

(p. 217) United Kingdom exports, in £ mill.

	1866	1872	1882	1902
To British possessions	53.7	60.6	84.8	109.0
" Europe	63.8	108.0	85.3	96.5
" non-British Asia, Africa and South America	42.9	47.0	40.3	54.1
" United States	28.5	40.7	31.0	23.8

N.B. "One can, therefore, fully agree with the imperialists in their appreciation of the value of colonial markets. But, in opposition to the financial reform advocates, it has to be noted that Great Britain has not so far required preferential tariffs in order to dominate these colonial markets. The best that

N.B. Britain can expect from such preferential tariffs is to strangle the slowly penetrating foreign capital in the future".

...Incidentally, imperialist trends are strengthened by the fact that "some of these [foreign] protectionist states gain possession of ever more extensive raw-material areas and monopolise them for their own highly protected industry and shipping....

..."The United States has acted especially brusquely in this respect. Previously, trade between the West Indies and the United States

was carried exclusively by British ships. After Puerto Rico had been drawn into a customs union with the U.S.A. and American coastal shipping was given preference, British freight carriers were cut out at a single stroke. In 1900, 97 per cent of the foreign trade of the conquered island was carried by American vessels" (229). N.B. good example!!

"The German customs tariff hitherto in force a British Blue Book notes, amounted to about 25 per cent of the value of the main British export commodities; France, however, took 34 per cent, the United States 73 per cent, and Russia 131 per cent" (230). figures *N.B.*

"Whereas from 1865 to 1898 the British national income approximately *doubled*, the 'income from abroad' during the same period, according to Giffen, increased *ninefold*"* (p. 246). N.B. (very important) *doubled* and *ninefold*

The following quotations are from Robert *Giffen*, *Economic Enquiries and Studies*, 1904, Vol. II, p. 412 [and *Fabian Tract* No. 7].

The income from foreign capital investments in 1898 was from £*90* million (Giffen)
and up to £*118* million. Not less than £*100* million (p. 251):

population		income (estimate)	i.e. per capita	
1861	28.9 mill.	£ 311.8 mill.	= £ 10.7	N.B.
1901	41.4 "	£ 866.9 "	= £ 20.9	

Export of British Products (excluding ships)
(£ 000)

	(A) To countries with protective tariffs	(B) To neutral markets	(C) To British possessions	Total
1870	94,521	53,252	51,814	199,587
1880	97,743	50,063	75,254	223,060
1890	107,640	68,520	87,371	263,531
1900	115,147	73,910	93,547	282,604
1902	100,753	69,095	107,704	277,552

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* See present edition, Vol. 22, p. 281.—*Ed.*

(A) = Europe and United States. (B) = South America, Asia and Africa = "non-European raw-material areas." (C) = British colonies.

(((come back to this again and again))) "The workers [of Great Britain] organised in trade unions began to engage in practical politics long ago. The extension of the franchise made them masters of a democratised state system—the more so

N.B. very important!! ||| because the franchise is still sufficiently *restricted* to *exclude* the **really proletarian** lower stratum"* (298). |||

"This powerful position of the worker is not dangerous for Great Britain, for half a century of trade union and political training has taught the worker to identify his interests with those of his industry. It is true that he opposes the employer in questions of the level of wages, hours of work, etc., but externally he is at one with the employer in all matters where the interests of his industry are concerned. It is not rare for employers' organisations and workers' trade unions to act together on current economic

N.B. questions. For example, the Lancashire trade unions supported bimetallism until the Indian currency was put on a gold basis; today they are assisting the efforts to introduce cotton cultivation in Africa" (299).

N.B. He quotes *E. Bernstein*: "British Workers and the Imperialism of Tariffs Policy" in *Archiv für Sozialwissenschaft und Sozialpolitik*. Vol. XIX, p. 134.

Now (1903) the workers are against Chamberlain (458 votes to 2 at the 1903 Trades Union Congress).... "The

N.B. (on the co-operatives) N.B. ||| *Co-operative Congress*, which embraces the *entire* **upper** *stratum of the workers*, adopted the same attitude" (p. 300).

That the position of the workers has improved ||| is incontestable. Unemployment is not so considerable: "It [unemployment] is a problem that

* See present edition, Vol. 22, p. 282.—*Ed.*

concerns mainly London and the **proletarian lower stratum**, ***which is politically of little account***"* (p. 301) (author quotes the Board of Trade, *Labour Gazette*, December 1905, p. 355. "In November 1905 there were 24,077 unemployed in London as against 12,354 in the rest of England and Wales") (note No. 400). **N.B.N.B.**

"In view of these facts, the **upper** strata of the British workers see no reason at present for radical changes in British tariff policy" (*p. 301*). **=N.B.**

"What the Manchester Exchange used to be, the London Stock Exchange is now—the focal point of the British national economy. However, it is generally admitted that in the multiform world of the Stock Exchange, the leading place today is taken by exotic securities: colonial, Indian, Egyptian, etc., government and municipal loans; South American, especially Argentine and Japanese loans; American and Canadian railway and copper shares, but above all South African and West Australian gold-mining shares, African diamond shares, Rhodesian securities, etc.... "finance capital"

"In this connection, a new type of man is coming to the fore to take over the helm of the British economy. In place of the industrial entrepreneur with roots in his own country and heavily equipped with buildings and machines, we have the *financier*, who creates values in order to get them off his hands again as quickly as possible" (310). N.B.

Plant growth in the tropics is immeasurably more vigorous. There is "a tremendous future" for the *banana* (its flour), which is very easy to produce, and sorghum, dates, rice, etc. "These products are available in practically unlimited quantities, so that the old Malthusian notion

* Ibid., p. 282.—*Ed.*

of a limited supply of food is refuted and a possible exhaustion of grain areas is no longer a threatening danger" (315-16).

imperialist — (The European is of no use here, but the Negro, he says, cannot be trained without coercion.)

N.B.!! — "In that lies the cultural-historical justification of modern imperialism. Its danger is that Europe, under the extreme stress of the relations of political rule, will shift the burden of physical toil—first agricultural and mining, then the unskilled work in industry—on to the coloured races, and itself be content with the role of rentier, and in this way, perhaps, pave the way for the economic, and later, the political emancipation of the coloured races"* (317).

N.B. (prospect)

N.B. "Europe" =rentier (rides on the **Negroes**)

"South America, and especially *Argentina*, is so dependent financially on London that it ought to be described as *almost a British commercial colony*"** (318).

(The tropics and subtropics are mostly in British hands.)

"At the top of the list of foreign investments are those placed in politically dependent or allied countries: Great Britain grants loans to Egypt, Japan, China and South America. Her navy plays here the part of bailiff in case of necessity. *Great Britain's political power protects her from the indignation of her debtors*"...*** (320).

N.B.

N.B. "As a *creditor state*, she [Great Britain] relies increasingly on colonial, politically more or less dependent regions, on a 'New World'" (author quotes here note No. 422, data on incomes in 1902-03: from colonial loans—£21.4 million, from foreign

!!!

* See present edition, Vol. 22, p. 281.—*Ed.*
** Ibid., p. 263.—*Ed.*
*** Ibid., pp. 277-78.—*Ed.*

loans—£7.56 million, of which Europe accounts for only £1.48 million!!!). "As a *creditor state*, Great Britain does not depend on the free-trade interests of Britain as an industrial country; on the contrary, under certain circumstances, she is interested in accelerating colonial development through financial reform. Such is the inner connection between the Stock Exchange and imperialism, between foreign policy and Britain's interests as a creditor. N.B. N.B.

"The creditor state is steadily advancing to the forefront, compared with the industrial state. At any rate, *Great Britain's income as a creditor is already many times greater than net profit from all her foreign trade*. Giffen estimated that in 1899, net profit from foreign trade was £18 million on a total import and export turnover of £800 million whereas, according to a most cautious estimate, the interest on foreign loans was already £90-100 million. Moreover, it is rapidly growing, while the per-capita foreign trade income is diminishing. It should also be borne in mind that wars and war indemnities, annexations and foreign concessions stimulate Stock-Exchange security issues and that the leaders of the financial world can use most on the press to cultivate imperialistic sentiment. There can be no doubt, therefore, about the economic foundations of imperialism" (321). N.B.

((but, he adds, not only economics: also ideas, religion, and so on and so forth))

"The dependence of the most important and effective financial interests of the London Stock Exchange on political imperialism is especially noticeable: the South Africans received a victory reward in the form of Chinese labour that they could never have obtained from old Krüger or from a reformed Volksraad.[38] Nothing is more uncomfortable for them than an opponent as weighty as John Burns who believes the Chinese should be sent home and South Africa made a nursery for cultivating white !!!

trade unions. Even Cecil Rhodes, the idol of the South Africans, preferred unorganised black labour and is supposed to have shifted white employees whose trade union sympathies were known to him !!! to remote regions of the country, where they could freely preach their doctrines to the Bushmen and Zulus. The fear of a white labour movement on the N.B.N.B. Australian pattern is one of the ties which binds the Rand mining magnates to the chariot of political imperialism" (322).

N.B. ((and a note, No. 424, directly quotes this
N.B. statement: the local, South African "leaders of
N.B. industry" *fear* the example of Australia....))

"The number of *rentiers* in Great Britain can be reckoned at about a million" (323).

N.B.

	Population of England and Wales	No. of workers in main industries	Per cent
1851	17,928,000	4,074,000	23
1901	32,526,000	4,966,000	15

= "a decline in the proportion of productively employed workers to the total population"* ((p. 323))....

"The creditor state is laying a deep imprint on some parts of Great Britain. Free trade or financial reform is, in a certain way, an issue of struggle between the industrial state and the creditor state, but, at the same time, it represents the contradiction between the 'suburbia' of Southern England with its villas, where industry and agriculture have been forced into second place, and the productive factory regions of the North. Scotland, too, has been largely taken over by the rentier class and shaped to serve the needs of people who go there for three to four months in the year to play golf, travel in cars and yachts, shoot grouse and fish for salmon. Scotland is the world's most aristocratic 'playground'; it, as has been said with some exaggeration, lives on its past and Mr. Carnegie"** (324) ((here, as in many other places, the author quotes Hobson)).

This is from § 5 (of Chapter III), headed: "The Rentier State."

* See present edition, Vol. 22, p. 282.—*Ed.*
** Ibid.—*Ed.*

§ 6 is headed: "Capitalist Enervation." Author sets out facts showing Great Britain's lag (behind Germany) in industrial development.

Cites following figures inter alia:

Patents were granted (p. 347):

	To Great Britain	To Germany	To the U.S.A.
In Germany (1904)	574	—	474
" France (1904)	917	2,248	1,540
" Gr. Britain (1903)	—	2,751	3,466
" Italy (1904)	337	1,025	314
" Austria-Hungary (1904)	154	962	209
" Russia (without Finland) (1901)	146	438	196
" Switzerland (1903)	164	897	198
" Canada (1904)	310	185	4,417
" the U.S.A. (1903)	1,065	1,053	—
Total	3,667	9,559	10,814

[Author does not give totals.]

The old puritan spirit has disappeared. *Luxury* is increasing (360 et seq.).... "On horse-racing and fox-hunting alone, Britain is said to spend annually £14,000,000"* (361).... £ 14 million!!

Sport. The Puritans waged a struggle against it. Sport is the sole occupation of "members of the idle, rich class" (362).

"Characteristically, the favourite forms of national sport have a strongly plutocratic stamp" (362).

"They [these forms of sport] assume the existence of a breed of aristocrats who live on the labour of Negroes, Chinese and Indians, on interest and ground-rent flowing in from all over the world, and who value the land of their own country only as a luxury item" (363).

..."The public, and in particular the working-class public, becomes an inactive but passionately interested spectator" (of sport) (363).

..."The rentier stratum is essentially without culture. It lives on past and others' labour and, as William Morris said, it stifles in luxury" (363).

* Ibid.—*Ed.*

"For Great Britain, the question is whether the rentier class has a sufficiently strong neck to bear the social and political yoke which socialism would like to impose on it. Do the British rentiers already possess enough wealth to be bled for the honour of consuming goods produced by British workers, who have an eight-hour day and a 'living wage'?" (374).

"The social protective tariff", the idea behind it: the worker is interested in *high* prices (*Fabian Tract* No. *116*)—p. 375—so that the country should be richer and able to give the worker a greater share.

"It" (the realisation of such ideas) (der Ausbau) "is possible, perhaps, for a twentieth-century Great Britain on the basis of a rentier class which exacts tribute from extensive raw-material areas, pays for raw materials and foodstuffs with interest coupons and dividend warrants, and defends its economic domination by political imperialism. Any attempt to bring the socialist state of the future out of the clouds and on to the earth, would have to reckon with the fact that this is possible only on the basis of a strictly national organisation. The country closest to the social utopia, the Australian Commonwealth, would be lost if, with the words 'Proletarians of all countries unite', it took the Chinese coolie to its heart. The Britain of which the Labour Party dreams is *by no means to be dismissed out of hand as a utopia*, but it would be an artificial social structure and would collapse owing to a revolt of the debtors, whom the ruling creditor state would no longer have the strength to subdue by political means" (375).

And in note No. 512 he quotes from *Justice* magazine, December 16, *1905* (!), that "we" must "crush the German fleet".... "Hyndman [he remarks] embodies the connection between socialism and jingoism, which is especially directed against Germany" (p. 474).

N.B. Very valuable admissions

(1) the "connection" between socialism and chauvinism;

(2) the conditions for the "realisation" of social-chauvinism (the rentier state, keeping the colonies in subjection by political means, etc.)....

(3) workers' exclusiveness and aristocratic attitude (coolies).

Idealism in the service of imperialism:

"Economic activity as such does not raise man above the 'animal world'; this is achieved only by subordinating economic life to supra-economic aims. Thereby, and *only* thereby, does the simple workman, as also the world ruler, become civilised man in the economic sphere. Idealistic population policy, idealistic national policy, and idealistic social policy require a broad economic foundation, which is thus included in the 'realm of aims'; they present expanding claims for which the stagnated and fettered type of economy of the previous period does not suffice. In order to cope with our cultural tasks, we need the broad shoulders of the forward-storming Titan called modern capitalism" (401).

The nation which achieves this "will—for the good of mankind and by the will of God—be at the head of the human race" (402).

Germany at the head of the world

End

In general, everything of scientific value has been *stolen* from Hobson. He is a plagiarist in the cloak of a Kantian, a religious scoundrel, an imperialist, that's all.

Literature sources:

Richard *Jebb*, *Studies in Colonial Nationalism*, London, 1905.

A. F. W. *Ingram*, *Work in Great Cities*, London (year?)

Schulze-Gaevernitz is especially delighted by Bishop *Westcott*, who "organised friendly intercourse between employers and labour leaders by inviting leading persons from both sides to quarterly conferences in the Bishop's palace ... here people who had hitherto passionately fought one another learned mutual respect" (p. 415, note No. 53).

!!

Holland, *Imperium and Libertas*, London, 1901.
Hobhouse, *Democracy and Reaction*, London, 1904.

((has much of interest on the old, liberal colonial policy))

R. Cobden, Pamphlet by "a free-trader and friend of peace", Bremen, 2nd edition, 1876.
Cobden was a supporter of peace and **disarmament.**
Also discussed in *Nasse*, "The Development and Crisis of Economic Individualism in England", *Preussische Jahrbücher*, Vol. 57, No. 5, p. 445.

Cobden — For instance, Cobden's remark about colonial policy: "Is it possible that we can play the part of despot and butcher there [in India] without finding our character deteriorate at home?" (p. 423, note No. 104). Ibidem for the separation of Canada.

Cobden was against the Crimean War (p. 70 in Schulze-Gaevernitz).

John Morley, *Life of Cobden*, London, 1896, Vols. *1* and *2*.

Cobden (N.B.) — "Cobden declared Britain's mastery of the seas a 'usurpation', the possession of Gibraltar a 'spectacle of brute violence, unmitigated by any such excuses'.... For Cobden, British rule of India was 'an utterly hopeless task'... 'a gamble'.... Cobden demanded unilateral reduction of the British army and navy as a first step to international disarmament.... Cobden declared that war was only justified when part of the country's territory had been occupied by the enemy"... (70-71).

!! N.B.

N.B. *Marcks*, *The Present-Day Imperialist Idea*, Dresden, 1903.

De Thierry, *Imperialism*, London, 1898.
G. P. Gooch, *The Heart of the Empire*, London, 1902 (a Liberal criticism of imperialism).
Doerkes-Boppard, *History of the Constitution of the Australian Colonies*, Munich, 1903.
Baron von *Oppenheimer*, *British Imperialism*, Vienna, 1905.

Irishman's hatred of Britain

The newspaper *The Gaelic American* in New York. Inter alia, the meeting of November 18, *1905* (p. 429, note No. 136)—a protest against the policy of Edward (Delcassé, etc.) of *involvement in a war with Germany*. N.B.

From the resolution:

"England's alliance with Japan guarantees Japanese aid to enable her to hold India in subjection, and she seeks American help to keep Ireland and South Africa down"....

On the "*oppositional* tone of the Indian press" ....

Meredith Townsend, *Asia and Europe*, 3rd edition, 1905.

Younghusband, "Our True Relationship with India" in the symposium *Empire and the Century*. N.B.

Also *his article* in *The Monthly Review*, February 17, 1902 (it is now easier for us to transport 200,000 troops to India than it was to transport 20,000 in 1857, and in face of excellent artillery, what can they do? p. 434, note No. 155).

Of the many books about Cecil Rhodes, the author mentions a "highly amusing lampoon" (note No. 171): *Mr. Magnus*, London (Fisher Unwin), 1896. N.B.? Title?

Africander, "Cecil Rhodes—Colonist and Imperialist" in *The Contemporary Review*, 1896, March.

Paul Jason, *Development of Income Distribution in Great Britain*, Heidelberg, 1905.

R. Giffen, *Economic Enquiries*, London, 1904. Two vols. ("extremely optimistic") (p. 458, note No. 342).

E. Bernstein, "British Workers and the Imperialism of Tariffs Policy" in *Archiv für Sozialwissenschaft*, Vol. XIX, p. 134.

L. G. Chiozza-Money, *British Trade and the Zollverein Issue*, London, 1902.

E. Jaffé, *British Banks*, Leipzig, 1905, pp. 125, 142, 172 and passim. "The ratio of bills drawn by foreign countries on Britain to bills drawn by Britain on foreign countries is as 9 : 1" (p. 464, note No. 404). N.B.

Charles Dilke, *The Problems of Greater Britain*, London (year?)
H. D. Lloyd, *Newest England*, 1902 (London).
Schulze-Gaevernitz, *Towards Social Peace*, Leipzig, 1890. Two vols.
⇛ The example of Australia, and her influence: "a socialism that addresses itself to the ruling class".

End

Multatuli.
Gooch, *History and Historians in the Nineteenth Century* (1913).

NOTEBOOK "μ"
("MU")

Contents

μ

Statistics

SCHWARZ, *FINANCIAL SYSTEMS OF THE GREAT POWERS*

O. Schwarz, *Financial Systems of the Great Powers*. (Göschen series). Vols. I and II, Leipzig, 1909.

The accompanying table (pp. 1-2)* is *Table VI*, *slightly* (very slightly) abbreviated: "Economic development and welfare indicators."

(National wealth *mostly* according to Mulhall.)

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* See the table inserted between p. 460 and 461.—*Ed.*

m. = millions
md. = 000 millions

		Great Britain					France			
		year 18'	sum	year 19'	sum		year 18'	sum	year 19'	sum
Commodity imports (m.)	£	'75	373	'07	646	m. francs	'75	3,537	'05	4,779
Commodity expors (m.)	£	'75	292	'07	518	" "	'75	3,873	'75	4,867
Output of pig-iron (*mill. tons*)		'75	6.2	'07	10.1	m. tons	'75	[1]2.5	'03	[1]6.2
Output of cast iron (*mill. tons*)		'80	7.9	'03	9.1	" "	'80	1.7	'03	2.8
Output of steel (*mill. tons*)		'80	3.7	'03	6.0	" "	'80	1.4	'03	1.9
Output of coal (*mill. tons*)		'75	132	'07	268	" "	'80	16.9	'07	36.9
Number of spindles in cotton industry (m.)		'78	47.4	'07	50.7	sugar production m. kg.	'82	10.6	'07	6.8
							'82	337	'07	727
Grain harvest wheat (mill.)	bushels	'86	63.3	'07	56.5	m. *hectolitres*	'75	102	'03	128
Grain harvest oats (mill.)	bushels	'86	170.4	'07	183.7	" "	'75	69	'03	106
Grain harvest barley (mill.)	bushels	'86	78.3	'07	67.1	" "	—	—	—	—
Grain harvest rye (mill.)	bushels		—		—	" "	'75	27.4	'03	20.4
Grain harvest grape harvest (mill.)	bushels		—		—	" "	'75	78.2	'03	35.2
Livestock cattle (mill.)		'74	6.1	'07	6.9	(m.)	'73	11.5	'06	14.0
Livestock sheep (mill.)		'74	30.3	'07	26.1		'73	23.9	'06	17.5
Livestock pigs (mill.)		'74	2.4	'07	2.6		'73	5.5	'06	7.1
Livestock horses (mill.)		'74	1.3	'07	1.6		'73	2.7	'06	3.2
Gainfully employed as percentage of population	%	'85	?10.0%[1]	'01	44.0%			?	'01	51.3%
Railways length, *thousands*	miles	'76	16.9	'07	23.1	km.	'75	32.3	'02	49.9
passengers carried (m.)		'76	539	'07	1,259		'75	131	'03	527
goods "	(income from £ (m.))	'76	33.8	'07	58.4	m. tons	'75	58.9	'03	128
Posts and telegraph										
letters delivered (m.)		'76	1,019	'07	2,863		'75	367	'03	1,062
telegrams " "		'75	20.8	'07	93.8		'75	7.6	'03	37.4
Navy sailing vessels m.		'76	4.3	'07	1.6		'75	0.8	'03	0.6
tonnage steamships (*tons*)		'76	2.0	'07	[2]16.5		'75	0.2	'03	0.6
National wealth	£ md.	'88	10.8	1896	11.8	md. francs	'88	224	1896	244
	£ m.	'82	[3]601	'07	[3]944					
Savings-bank deposits (m.)	Trustees and companies	'82	44.3	'07	52.2	m. francs	'82	[2]65	'03	435
						Postal savings banks	'75	660	'03	3,188
	Postal savings banks	'82	39.0	'07	157.5					
	Property subject to inheritance tax						Endowments and inheritances			
	£ m.	'98	247.3	'07	282.3	m. francs	'75	5,321	'03	6,421
Life insurance	£ m.	'75	37.2	'00	656	m. francs	'76	1,507	'03	3,593
fire "	£ md.	'82	2.8	'02	10.6	" "	'76	[3]79	'03	[3]118
Per-capita consumption:										
wheat	kg.	'79-83	163.1	'02-06	166.2		'79-83	252.9	'01-05	237.8
rye	"		—		—					
meat	"	'90	[4]44.6	'04	[4]51.6					
spirits	litres	'85-89	4.3	'00-05	4.6		'85-89	7.6	'00-05	8.1
beer	"		124.8		138.7		'85-89	21.3	'00-05	26.6
wine	"		1.7		1.5		'85-89	92.2	'00-05	116.3
crude sugar	kg.	'84	30.6	'07	39.9		'79-83	9.6	'02-06	13.8
tobacco	"	'79	0.65	'06	0.80		'79-83	0.90	'01-05	0.98
coffee	"	'79	0.44	'06	0.31		'79	1.55	'06	2.51
tea	"	'79	2.14	'06	2.76		'79	0.01	'06	0.03
cocoa	"	'79	0.13	'06	0.55		'79	0.3	'06	0.6
coal (and brown coal)	tons	'83	3.85	'06	4.08		'83	0.8	'07	1.3
pig-iron	kg.	'81	194.9	'06	199.4		'81	52.1	'06	82.4

Notes and additions:

[1]) An obvious imprint
[2]) This is "gross" (10.0 net)
[3]) National income (from "deposits")
[4]) Including beef 21.1 and 24.6
pork 15.3 17.1
mutton 8.1 9.9

[1]) "Iron ore"

Steam engines (million h.p.)
('75) 0.4 ('03) 2.1

[2]) "National savings bank")
[3]) Premiums paid

Austria-Hungary					Italy					Russia				
	year 18'	sum	year 19'	sum		year 18'	sum	year 19'	sum		year 18'	sum	year 19'	sum
m. kronen " "	'74 '74	1,137 899	'04 '04	2,048 2,089	lire	'75 '75	1,207 1,022	'06 '76	2,417 1,835	m. rubles	'77 '77	321 528	'04 '04	584 955
	'80 '80 '80 '80	[1])0.6 0.3 0.7 13.3	'02 '02 1897 '06	[1])3.3 1.0 1.3 45.8		'80 '80 '80 '80	[1])0.14 0.01 0.08 0.3	'02 '02 '02 '07	[1])0.41 0.03 0.27 0.5	m. tons	'82 '80 '80 '80	[1])1.08 0.44 0.5 3.77	'01 '00 '01 '06	4.72 2.91 2.0 21.3
		?	'06	3.6			?	'07	3.5		'90	3.5	'06	6.6
estimated cereal crop (m. centners)		?	'03	} 597	m. *hectolitres* " " " "	'79-83 '79-83 '79-83	46.8 29.7 (maize) 36.3	'06 '06 '06	62.2 32.8 (maize) 29.8	m. poods (European Russia and Poland)		?	'06 '06 — '06	608 542 — 977 —
	'80 '80 '80 '80	13.9 13.7 6.9 3.6	'00 '07* '00 '07* '00 '07* '00 '07*	15.4 10.2 9.6 4.0	(+goats)	'75 '75 '75 '75	3.5 7.0 1.3 0.7	'05 '05 '05 '05	5.7 10.8 2.2 0.8	(European Russia and Poland) (+goats)	'88 '88 '88 '88	27.6 48.2 10.8 20.9	'07 '07 '07 '07	33.5 39.5 10.6 22.0
		?	'00	51.5%			?	'01	50.1%			?	1897	24.9%
km.	'70 '80 '83 '83	9.6 18.5** 54.5 71.8	'02 '03 '03	49.9 527 128	km. m. m. tons	'80 '87	8.7 45.5 15.1	'04 '03	16.2 68.0 23.7	km. [2])m. poods	'80	23.5 ? ?	'02 '06 '06	52.3 125.5 9.4
	'74 '74	[2])448 5.8	'06 '06	1,164 37.7		'85 '85	188 6.8	'04 '04	293 15.2	(letters and post-cards)	'83 '83	126.4 10.2	'04 '05	810 151
	'77 '77	0.3 0.05	'06 '06	0.05 0.3		'77 '77	0.9 0.02	'06 '06	0.5 0.5		'83 '83	0.5 0.1	'05 '05	0.3 0.4
m. [4])kronen	'88	105	1896	108	md. *lire*	'88	73.1	1896	89.6	md. rubles	'88	256	1896	283
Savings banks Postal savings banks	'80[3]) '91 '82-92 '86[3])	744 906 144 3	'06 '01 '06 '01	4,904 1,397 606 73	Savings banks Postal savings banks	'80 '80	687 ?	1895 1895	1,344 266	m. rubles	'92	250	'08	1,163
m. kronen *md.* kronen	'75 '82	823 15.0	'01-05 '00	3,451 46.8	m. lire *md.* lire	'75 '82	52 6.2	'00 '02	850 52.7	m. rubles *md.* rubles	'75 '82	33 16.3	'00 '02	536 39.2
	'80-84	} 155.9	'02-06	} 174.0		'84	} 123	'06	} 145	kg.	1888	} 13.2 108.7	'06	} 80.0 142.0
	'85-89 '85-89 '85-89 '83-7 '97 '79 '79 '94 '83 '79	8.8 32.0 22.4 6.5 0.7 0.5 0.004 0.02 0.4 11.8	'00-05 '00-05 '00-05 '02-06 '06 '06 '06 '05 '06	10.3 43.2 17.8 15.1 ? 1.0 0.03 0.07 0.8 29.6		'85-9 '85-9 '85-9 '79-83 '84 '79 — '94 '83 '91	1.5 0.8 96.2 2.6 0.6 0.5 — 0.02 0.08 3.9	'00-05 '00-05 '00-05 '99-03 '02 '03 — '06 '05 '03	1.3 0.78 112 3.1 0.5 0.5 — 0.04 0.2 6.1	litres	'85-9 '85-9 '85-9 '83-7 '97 '84 '94 '83 '81	6.46 3.3 ? 3.8 0.57 — 0.4 0.01 0.06 8.4	'00-04 '00-04 '00-04 '02-06 '04 '06 '04 '04	4.94 4.4 ? 7.2 ? — 0.5 0.02 0.15 26.1

[1]) Iron ore
[2]) Postcards+letters
[3]) Austria above; Hungary below
[4]) A misprint? *Md.*??

* For Austria 1900, for Hungary 1907.—*Ed.*
** The first figure is for 1870, the second for 1880.—*Ed.*

[1]) Iron ore

[1]) "Iron ore"
[2]) A misprint? Md. poods?

m. = millions
md. = 000 millions

		United States					Japan			
		year 18'	sum	year 19'	sum		year 18'	sum	year 19'	sum
Commodity imports (m.)	$ m.	'75	533	'06	1,227	m. yen	'75	29.9	'06	418.8
Commodity expors (m.)		'75	513	'06	1,744		'75	18.6	'06	423.8
Output of pig-iron	*mill. tons*	'75	2.0	'06	25.3			?		?
cast iron / steel		'75	0.4	'05	20.0		'90	20.7	'03	33.3
coal		'75	46.7	'05	350.8		'90	2.6	'05	11.8
Number of spindles in cotton industry (m.)	m. bales	cotton industry				spindles (m.)	'93	0.4	'05	1.4
		'75	3,827	'06	11,346					
Grain harvest wheat	m. bushels	'69-78	293.2	'06	735.2	m. koku[1])				
oats		'69-78	306.9	'06	964.9	rice	'95	39.9	'06	46.3
barley		'69-78	323.5	'06	178.9	barley				
rye		'69-78	18.3	'06	33.4	rye and wheat	'95	19.5	'06	20.4
grape harvest	mill.									
Livestock cattle	mill.	'80	39.7	'07	72.5		'93	1.1	'05	1.2
sheep		'80	42.2	'07	53.2		'99	0.002	'05	0.03
pigs		'80	49.8	'07	54.8		'99	0.2	'05	0.2
horses		'80	10.4	'07	19.7		'93	1.6	'05	1.4
Gainfully employed as percentage of population			?	'00	38.4%					
Railways length, *thousands*	(miles)	'75	74	'05	217	(miles)	'81-2	0.1	'05-6	4.8
passengers carried (m.)		'82	375	'05	745		'91-2	25.8	'05-6	113.7
goods "		'77	360	'05	1,435		'91-2	2.1	'05-6	21.5
Posts and telegraph										
letters delivered (m.)		'75	17	'06	97		'93-4	397	'05-6	1252
telegrams " "							'93-4	8.4	'05-6	24.4
Navy sailing vessels m.		'75	3.7	'06	2.7		'94	2.876	'06	2.7
tonnage steamships *tons*		'75	1.2	'06	3.97		'94	0.3	'06	3.97
National wealth	$ md.	'80	43.6	'04	107.1					
Savings-bank deposits (m.)	Savings bank deposits	'75	924	'06	3,300	other savings banks	'95	12.2	'06-7	106.6
	State's bank deposits $ md.	'75	166	'06	2,741	postal savings banks (m. yen)	'95	28.9	'06-7	81.9
	national bank deposits	'75	686	'06	4,056	bank deposits	'95	2,832	'05	20,304
Life insurance	$ md.	'80	1.6	'05	13.4	m. yen	'92	17.5	'05	234.7
fire "	deposits by fire insurance companies	'90	158 $ md.	'05	296		'92	12.6	'05	851.1
Per-capita consumption:										
wheat	kg.	'79-83	109.9	'02-06	136.1					
rye		'88-91	108.7	'04-6	142.0					
meat										
spirits	litres	'85-9	4.86	'00-05	5.4					
beer		'85-9	44.26	'00-05	68.5					
wine		'85-9	1.86	'00-04	1.85					
crude sugar		'83-4	21.7	'06-7	33.9					
tobacco										
coffee		'79	3.33	'06	4.49					
tea		'79	0.54	'06	0.49					
cocoa		'79	0.27	'06	0.6					
coal (and brown coal)		'79	0.9	'06	3.6					
pig-iron		'79	63.7	'06	321.8					
Notes and additions:						[1]) Koku = 1.8 *hectolitres* = 4.96 bushels				

Germany				
	year 18'	sum	year 19'	sum
m. marks	'82 '82	29.9 18.6	'06 '06	418.8 423.8
m. tons	'87 '80 '80 '87	4.0 1.96 1.55 76.2	'07 '03 '03 '05	12.9 8.8 9.22 193.5
Sugar production 000 tons	'79-9	426	'06-7	2,242
m. *tons*	'78 '78 '78 '78	2.6 5.0 2.3 6.9	'07 '07 '07 '07	3.5 9.1 3.5 9.7
	'83 '83 '83 '83	15.8 19.2 9.2 3.5	'07 '07 '07 '07	20.6 7.7 22.1 4.3
		?	1895	42.7%
km.	'75	27.9 ?	'06 '06 '06	55.5 1,191 479.9
m.[1)]	'76 '76	0.689 10.5	'06 '06	4.8 43.4
	'76 '76	0.9 0.2	'08 '08	0.4 2.2
md. marks	'88	153	1896	164
md. marks	'75	1.8	'07	13.9
banks deposits *m.*	'83	810 m.	'07	7,050
m.	'95	5,846	'04	8,972
md.	'75	58.6	'00	189
kg.	'78-82	61.4 128.0	'02-06	96.5 151.5
litres	'88-9 '88-9 '88-9 '83-4 '79-83 '79 '80 '70 '70 '79-83	8.1 96.9 6.12 7.7 1.2 2.46 0.019 0.042 0.184 66.0	'00-05 '00-05 '00-04 '06-7 '02-6 '07 '07 '07 '07 '07	8.2 119.7 6.58 18.7 1.6 3.03 0.063 0.528 3.360 168.5

[1)] An obvious misprint. Should be *md.*

Transcriber's Note: This table originally appeared as a single fold-out insert measuring roughly 12 inches in height by 24 inches in length. Its format, consisting of nine columns (the first contained the categories of quantification as they applied to the eight given countries) has been modified to accommodate the more limited visual field of a computer screen.

(Vol. II, p. 93)

State taxes have increased (marks per capita)

						Increase
In *Great Britain* 1875 to 1907-08						
	direct	from	7.6	to	26.6	= 250%
	indirect	”	31.9	”	32.6	= 2%
In *France* 1875 to 1907-08						
	direct	from	12.7	to	18.9	= 49%
	indirect	”	39.2	”	47.2	= 20%
In *Prussia* 1875 to 1908						
	direct	from	5.8	to	8.6	= 48%
	indirect	”	6.6	”	20.4	= 209%
In *Germany* 1881-82 to 1908						
	direct	from	6.3	to	10.4	= 65%
	indirect	”	1.4	”	24.2	= 112%

Vol. II, p. 63

Expenditure on the *army* and *navy* in *Germany*:

	1881-82	1891-92	1908
	408 mill. marks	536	1,069
per capita	9.0 marks	10.8	16.9

VORWÄRTS No. 103, APRIL 13, 1916

Vorwärts, 1916, No. 103 (33rd year), April 13, 1916. Leading article: “The Future Rulers of the World.”

National wealth (1912)

United States	187,740	*million*	dollars
Germany	75,000	”	”
Great Britain	90,000	”	”

United States exports for 10 months of 1915 (1914): to Asia 115.8 (77.6) million dollars; to South America 116.7 (70.4); to Oceania 77.6 (64.8); to Africa 29.1 (22.1).

Imports of munitions, etc., are paid for by the sale of American “securities”: Great Britain “divested” herself of *950* million dollars’ worth; France of *150*, Holland of 100; Germany of *300*; Switzerland of *50*.

Output (million tons)

	Coal (1913)		Iron ore (1913)		Pig-iron (1913)		Steel (1912)	
U.S.A.		517.14		59.44		31.46		31.75
Germany	278.98	570.99	35.94	52.19	19.30	29.94	17.30	24.31
Great Britain	292.01		16.25		10.64		7.01	

Consumption (thousand tons) (1913)

	Copper		Lead		Zinc		Tin		Consumption Cotton (mill. bales)	
U.S.A.		348.1		401.3		313.3		45.0		5.55
Germany	259.3	404.0	223.5	414.9	221.3	415.9	19.3	43.7	1.26	4.54
Great Britain	144.7		191.4		194.6		24.4		3.28	

(This for 1912-13)

CALWER, *AN INTRODUCTION TO*

Richard Calwer, ***An Introduction to the World Eco*** *1906*

An interesting attempt to summarise the data (about *1900*) (I try to summarise

# PRINCIPAL ECONOMIC REGIONS OF THE WORLD	Area (million sq. km.)	Population (million)	Population per sq. km.	Railways (000 km.)	Merchant shipping: Ships (000)	Merchant shipping: Net tonnage (mill.)
Central European	27.6 (23.6)	388.4 (146.1)	14.05	203.8	41.2	7.9
British	28.9 (28.6)	398.0 (355.4)	13.75	140.3	35.3	11.1
Russian	22.2	130.8	5.9	63.2	5.6	1.0
East Asian	12.4	389.4	31.4	8.2	5.2	0.9
American	30.3	148.5	4.9	378.9	25.7	6.0
$\Sigma =$	121.4	1,455.3	12	794.4	113.0	26.9
"Not counted"	14.6	(approx.) 70		22.3		
Whole world	136	1,525		816.7		

Figures in brackets refer to colonies.

*THE WORLD ECONOMY**

nomy (Vol. 30 of the *Maier-Rothschild Library*), (3 marks).

"*On the Principal Economic Regions of the World*" them in a table):

Telegraph Lines (000 km.)	Telegrams (mill.)	Foreign trade (imports and exports) (1900) (*thous. mill.* marks)	Coal output (1900) (mill. tons)	pig-iron output (mill. tons)	Gold output (1900) (000 kg.)	No. of cotton spindles (1900) (mill.)	No. of sheep (mill.)	Wool output (mill. kg.)
520.2	168.9	40.9	250.8	14.6	8.2	26.0	89.1	214.4
313.3	121	24.8	249.4	9.4	279.9	51.2	158.5	447.0
171.8	20	3.3	16.1	2.9	36.0	7.0	62.4	191.1
60.7	17	2.4	8.3	0.02	12.4	1.8	{[1])175	59.0}
526.8	79	13.9	245.6	14.0	131.6	19.5	143.5	438.1
		85.3	770.2	40.9	468.1	105.5	628.5	1,349.6
		2.5	0.1	0.5	2.7			
		87.8	770.3	41.4	470.8			
				1911 [39]				
		10.4	149.8	234.5				
			5.3	228.8	276.2			
		9.2	244.6	450.2				
		34.9	623.2	960.9				
			= 81%					

[1]) "Other countries of the world" (i.e., East Asian plus the remainder).

* See present edition, Vol. 22, p. 272.—*Ed.*

R. Calwer lists colonial possessions as follows (*p. 90*):

			Population (mill.)
Germany . . .	2.6	(mill. sq. km.)	12.0
France	10.98		50.0
Holland . . .	2.0		37.9
Belgium . . .	2.4		19.0
Denmark . . .	0.2		0.1
Italy.	0.5	(before Tripoli!!)	0.7
Spain	0.2		0.3
Portugal . . .	2.1		7.3
Great Britain .	28.6		355.4
U.S.A.	0.3		8.6

Author includes in the "Central European region" *all* Europe except Great Britain and Russia.

"Not counted", i.e., not apportioned to the regions, include Afghanistan, *Persia*, *Arabia*, in Africa Abyssinia, *Morocco* (the author is out of date!!! the book was published in 1906!!!), and others.

Railway development for these five regions, 1890 and 1913 (main figures given later*):

		1890	1913	Increase
with colonies	Central Europe . .	166.2	268.9	+102.7
	British Empire . .	107.3	207.8	+100.5
	Russian Empire . .	32.4	78.1	+ 45.7
(Asia without colonies)	East Asian region	3.3	27.5	+ 24.2
	America (without colonies)	308.1	521.9	+213.8
	Σ =	617.3	1.104.2	

* See pp. 484-90 of this volume.—*Ed.*

BULLETIN
OF THE INTERNATIONAL STATISTICAL INSTITUTE

(*Bulletin de l'institut international de statistique*),
XIX, 1 (p. 382)

Prime Motors (*h.p.*)
(other than electric)

			steam (000)	total (000)
A)	Denmark	1897	47.5	52 0
		1907	112.0	131
	Austria	1902	1,170.0	1,640.0
	Switzerland	1905	?	516.0
	Germany	1895	2,720	3,427
		1907	6,715	8,264
	Belgium	1901	683	?
		1906	872	?
	France	1901	1,761	2,285
		1906	2,605	3,551
B)	United States	1905	19,440	22,240
	New Zealand	1906	?	75
C)	Norway	1905	79	308
	Sweden	1896	104	296
		1905	282	735
	Finland	1907	70	161
	Switzerland	1901	84	284
	Holland	1904	331	?
	Italy	1899	390	742
		1903	615	1,151
	Japan	1895	57	60
		1907	237	281

Sources of data:
A) general industrial censuses
B) industries censuses
C) "administrative statistics".

I take only *steam* power (but without locomotives) and *total* [i.e. + water-power, etc., but without electric].

Extreme diversity and incompleteness of the data!!

BARTHOLOMEW, *ATLAS OF THE WORLD'S COMMERCE*

Atlas of the World's Commerce, etc., by J. G. Bartholomew, London, 1907.

Extensive data and diagrams giving percentages, etc., and covering the whole world. I quote some:

	Growth of world trade (£ mill.)	United Kingdom		U.S.A.		Germany		France		United Kingdom (£ mill.)			
		Imports	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports from		Exports to	
										other countries	colonies (of U.K.)	other countries	colonies
1800	302	—	—										
1840	573	52	51	20	23	25	27	31	28				
1850	832	98	71	36	28	34	36	32	43				
1870	2,191	259	199	88	89	179 (1875)	129	116	112	238	64	189	55
1890	3,450	356	263	159	174	207	166	177	150	324	96	234	94
1900	4,420	460	291	171	282	288	230	188	164	413	109	252	102
1905	5,440	487	330	242	329	336	279	191	194	437	128	285	123

Has a very interesting Currency Map.

Countries with *legal* gold standard — (most of the world)
" " " *silver* " — China + Persia
" " " bimetallic standard — only part of Africa + France, Spain, Italy

Countries with *actual* gold standard — France (Britain) etc.
" " " bimetallic standard — *United States*, *India*
" " " paper " — *Spain*, *Russia*, South America

Share of different countries in world trade:	1885	1905	Ditto from another source *)*) 1885	1900	1885	1905
United Kingdom	18.1	15.0	19.2	16.3	} 30.9	25.8
British possessions	12.8	10.8	10.7	9.7		
Germany	10.0	11.3	10.3	11.0	} 29.2	28.9
France	9.9	7.1	10.4	7.5		
United States	9.3	10.5	9.7	9.8		
Holland	5.6	7.0	5.9	6.6		
Belgium	3.5	4.0	3.7	3.5		
Austria-Hungary	3.5	3.3	3.7	3.3		
Russia	3.4	3.0	5.6	4.6		
Spain	1.9	1.4	20.1	1.5		
China	1.4	1.8	1.8	2.5		
Japan	0.4	1.5	0.5	1.1		
Argentina	1.2	1.9	1.3	1.1		
Other countries	19.0	21.4				
	100	100				

)) "Another source" = *Statistisches Jahrbuch für das Deutsche Reich*, 24th year, 1903, p. *25*.

Number of people speaking different languages

	(million)
English	111
German	75
Russian	75
French	51
Spanish	43
Italian	33
Portuguese	13

Colonial Trade 1905

	Destination of exports from British possessions	Destination of imports into British possessions
	(£ millions)	
United Kingdom	143.8	143.4
British possessions	58.5	56.1
Foreign countries	130.2	109.6

Mercantile marine of the principal countries (steam & sail) (million tons)	
British Empire	17.6
United States	4.2
Germany	3.8
Norway	1.8
France	1.7
Italy	1.2
Japan	1.0
Russia	0.9
Sweden	0.8
Spain	0.7
Holland	0.7
etc.	
World's total	37.5
of which steamships	31.7

Growth of world *wheat* production (000 mill. bushels)	
1891	2.5
1895	2.5
1900	2.5
1902	3.0

Wheat production (1901-03) (mill. bushels)	
United States	664.7
Russia	509.2
France	311.5
India	263.1
Italy	157.0
Spain	133.1
Austria-Hungary	205.8
Germany	139.8
Canada	85.8
Argentina	77.2
etc. etc.	
World's total	3,026.6

	Consumption of *wheat* (*lbs. per head*)	sugar	meat
France	486	27	77
New Zealand	400	97	212
Australia	357	101	239
United States	315	68	150
United Kingdom	290	88	112
Austria-Hungary	231		
Germany	195	27	111
Canada	155		90
Holland	—	36	—
Russia	—	14	51

	Rice production mill. cwt		Production of rye mill. bushels	*barley* mill. bushels		*Tea* production mill. lbs.		*Coffee* production mill. lbs.
China	550	Russia	887.5	335.2	China	660	Brazil	1,659
		Germany	386.9	135.1	India	200	Colombia	70
British India	448.3	Austria-Hungary	130.7	124.4	Ceylon	150	Java	86
Java	90.0	France	51.2		Japan	59	Guatemala	74
Japan	89.6	Asiatic Russia	37.1		Java	19	India	31
Indo-China	33.1	Japan	38.8		Formosa	18		
Siam	14.8	United State	27.2	131.9	Natal	1.8		
Italy and Spain	20.1	Spain	25.7		Caucasus	0.9		
		etc.	India	101.1				
World's total	1,257.9	World's total	1,672.9	1,218.6			Total exports	=2,283

Mercantile Marine (net tonnage). (Mill. tons)

	United Kingdom	United States	Germany	Norway	France	Japan
1860	4.6	—		0.6	1.0	
1870	5.6	4.2	1.0	1.0	1.1	
1880	6.6	4.1	1.2	1.5	0.9	0.09
1890	7.9	4.4	1.4	1.7	0.9	0.1
1900	9.3	5.2	1.9	1.5	1.0	0.9
1905	10.7	6.4	2.3	1.5	1.3	1.3

World production of sugar (mill. tons)	of which beet sugar	Ditto coffee (000 tons)	Ditto raw cotton (mill. cwt.)	Ditto pig-iron (mill. tons)	Ditto raw copper (000 tons) tons)	gold (tons)
1850 1.4	0.2	1855 — 321	1850 — 12.8	4.4	1851-60 49.9	1851 134
1860 2.2	0.4	1865 — 422	1860 — 22.8	7.2	1861-70 88.5	1860 192
1870 2.7	0.9	1875 — 505	1870 — 24.8	11.9	1871-80 117.0	1870 182
1880 3.7	1.8	1885 — 718	1880 — 32.2	18.1	1881-90 233	1880 164
1890 6.1	3.6	1892 — 700	1890 — 50.0	27.2	1891-900 364	1890 177
1900 9.8	6.1	1903 — 1,150	1900 — 61.7	40.4	1901 518	1900 377
			1903 — 65.0	1903 46.1	1905 723	1904 500

World Coal Production

Neumann-Spallart. Year of publication 1883-84, p. *322*.

Mill. metric tons	Total world turnover
1860 — 136	—
1866 — 185	44.2
1872 — 260	57.8
1876 — 287	55.8
1880 — 345	63.8
1885 — 413	61,700 mill. marks world's foreign trade, imports and exports

	in 1885:
Great Britain	161.9
Germany	73.6
United States	103.9

World *Mercantile* Marine:

1872 — 15.5	million	tons
1875 — 16.7	"	"
1880 — 19.3	"	"
1885 — 20.98	"	"

Chief countries 1885:

Great Britain	7.6
Germany	1.2
United States	2.6
Norway	1.5
France	0.9
Italy	0.9
Russia	0.3

Per-capita Consumption

	Tea, lbs. (1903)	Coffee	Wine, gallons	Beer	Spirits	Butter	(1903) Coal (cwt)
United Kingdom	6.0	—	0.3	28.8	1.0	19	78.4
United States	1.3	11	0.5	18.4	1.0	20	70.5
Germany	0.2	6	1.1	27.2	1.5	8	34.2
France	0.1	4	32.7	7.6	1.7	8	22.7
Russia	1.2	—		1.8	5	2.7	
Austria-Hungary			5.0	8.6	1.7	7	7.7
Holland	1.4	14.5	Belgium	40.1	1.6	15	
Australia[40]	7.1	—	0.8	1.6	0.7	17	24.5
Canada	4.0	—	5.0	0.9	22	33.4	
		Italy	27.5		Denmark	22	
		Spain	17.0			Belgium	58.4

Production

	Wine (mill. gallons)	Beer	Spirits (pure alcohol)	Fisheries (£ mill.)		Raw *cotton* (mill. cwt)
France	1,216	240	45.1	5	Brazil	0.5
Italy	880				Asia Minor	0.3
Spain	395		8.9		Turkestan	1.8
Russia		137	86.3	8	Africa	1.5
Austria-Hungary	169	420	55.2		Egypt	5.4
Algeria	124				China	4.0
Belgium		308			Mexico	0.4
Portugal	134				United States	45.4
Germany	49	1,512	84.1		India	9.6
Greece	66					
Canada				4		
Japan				5		
United States		1.561	58.6	13		
United Kingdom		1,253	29.2	10		
Holland			7.6			
World total	3,330				World total	70.0

(average for 1900-03)

GRAIN IN WORLD TRADE

Grain in World Trade, published by the Imperial Ministry of Agriculture, etc., *Vienna, 1900*.

A monumental work (*860 + 188* pp., 8° format)- a most painstaking summary of very rich data ((a mass of basic figures)) on grain production, consumption and trade for 1878-97 (in some cases other years). I know of nothing of comparable value. Apparently, the best in this field. [N.B. Borrows much from *Neumann-Spallart, Surveys of World Economy* (and Juraschek)].

I select the most important (*).

	Iron ore (mill. tons) (1900-02)	Steel (1901-03)	Coal (1901-03)	Cop- (1905)	Consumption of copper (000 tons)		Gold output (mill. ozs) (1901-03)		Oil (mill. gallons) (1902-04)
United States	30.7	14.3	284.0	0.41	215	Transvaal	4.9		
Germany	17.5	7.3	152.8	0.02	144	United States	3.7	. . .	3,573
United Kingdom	13.2	4.9	225.5	—	133	Australia	3.5		
Russia	5.4	2.0	16.1	0.009	29	Russia	1.1	. . .	2,728
France	5.0	1.6	31.9		63	Canada	0.9	Japan	51
Austria-Hungary	3.4	1.2	39.5		26	Mexico	0.5	India	87
Spain	8.0	0.2	0.04			India	0.5	Rumania	98
Mexico			0.06			New Zealand	0.4	Galicia	179
Italy					18	Rhodesia	0.3	Sumatra, Java, Borneo	231
Sweden	3.7	0.3							
Belgium	—	0.8	22.6						
Australasia				0.04					
World total	90.4	33.0	812.4	0.7	679		17.7		6,996

(*) Units of measurement: *metric centner* = 1 double centner. Metric quintal = double centner = 100 kilograms (double centner).

In other words, the unit used is metric quintal = 1 double centner = 1 *metric centner*.

Ton = 1,000 kilograms.

Acre = 40.467 *ares*.

Quarter = 2.09 *hectolitres*.

Pood = 16.379 kilograms.

Cf. p. 8, note 2: 3.674 bushels = 1 quintal (= 1 double centner).

p. 6, note 2: 1 *hectolitre* of wheat = 78 *kilograms*, etc. (oats, 1 *hectolitre* = 45 kilograms), etc.

[e.g. p. 271: 49,348 poods = 8,083 quintals.]

#*

World production, mil

Annual average	Wheat	Rye	Barley	Oats	Maize[1])	Total
1878-82	554.5	303.7	176.4	319.7	492.0	1,846.3
1883-87	579.7	330.2	182.9	356.9	543.9	1,993.6
1888-92	592.0	310.2	191.5	366.6	603.1	2,063.4
1893-97	642.7	370.1	214.4	408.7	608.4	2,244.3
Western Europe						
1878-82	233.4	130.4	102.8	159.3	70.1	
1893-97	250.1	145.2	100.5	171.2	74.2	
See next page*						
Eastern Europe						
1878-82	87.5	162.2	43.2			
1893-97	147.2	209.3	71.6			
Next page, note 1*						
Western Europe						
1876-85	10.89	10.17	13.0	11.73	11.23	
1886-95	11.16	10.89	13.18	12.01	10.93	
Yield per hectare[3])						
Eastern Europe						
1876-85	6.69	6.20	6.92	5.96	10.06	
1886-95	7.36	6.64	7.78	6.45	10.60	
Yield per hectare[3])						
United States						
1876-85	8.35	8.18	12.45	10.09	15.89	
1886-95	8.58	7.95	12.66	9.36	14.79	

[1]) Maize **in the U.S.A.:** 379.2; 426.9; 471.4; 465.8

[2]) These figures, p. 21, are from *Sundbärg*, who inclu the data for 1876-85 and 1886-95 refer *to per-capita*

[3]) These figures, p. 26, likewise from Sundbärg, denote

* See pp. 478-81 of this volume.—*Ed.*

lion metric centners

In percentages				p. 37		p. 39	
Wheat	Rye	Barley	Oats	Maize	Total	Population of Europe, America and Australia	
100	100	100	100	100	100	440 mill. =	100%
105	109	104	112	111	108	466	106
107	102	109	115	123	112	495	112
116	122	122	128	124	122	526	119
103	57	43	71	19			
96	56	39	73	17 [2)]			
kg. per capita							
102	153	45	82	45			
110	145	49	79	47 [2)]			

((i.e., > 75 per cent is in the United States)).

des Hungary, Galicia and Bukovina in Eastern Europe; grain output, *in kilograms*.

yield per *hectare* in metric centners.

Per-capita Consumption (kg.)

Europe

	Wheat	Rye	Barley	Oats	Maize
1878-82	111.9	89.8	44.4	76.7	36.7
1883-87	112.4	92.3	42.5	74.5	33.3
1888-92	108.1	81.8	41.4	70.6	35.3
1893-97	116.1	91.9	45.2	75.6	34.9

United States

1878-82	100	9	19	101	592
1883-87	107	8	21	131	621
1888-92	105	8	23	129	648
1893-97	78	6	16	117	525

Data given for following countries[1]):

Statistisches Jahrbuch für das Deutsche Reich, 1915

	Average wheat production (mill. double centners)		↓ mill tons (1,000 kg.)	Rye production: (mill. double centners)	
	1878-82	1893-97	1913	1878-82	1893-97
1. Belgium	4.7	5.0	0.40	4.2	5.2
2. *Bulgaria*	7.4	9.9	1.65	1.9	1.9
3. Denmark	1.2	1.0	0.2	4.4	4.8
4. Germany	23.7	29.5	3.97	58.5	70.6
5. *Finland*	0.0	10.04	0.004	2.4	3.1
6. France	75.2	84.0	8.7	17.6	16.7
7. *Greece*	1.4	1.3	?	0	0
8. Great Britain	22.1	15.0	1.4	0.4	0.5
Ireland			0.03		
9. Italy	40.3	33.2	5.83	1.3	1.1
10. Holland	1.4	1.2	0.1	2.6	3.1
11. Austria-Hungary	37.9	52.4	1.6	29.5	31.2
Hungary			4.5		

[1]) Countries in italics = "Eastern Europe".

Europe+United States

Wheat	Rye	Barley	Oats	Maize
118.2	79.4	41.9	82.6	127.5
118.2	80.7	40.1	86.1	132.1
114.1	71.2	39.4	83.1	136.9
116.1	79.0	41.3	85.7	125.2

(Europe+United States (p. 93))

First four cereals	Europe (first four cereals)	U.S.A.
322.2	323.4	314.5
325.2	321.7	346.9
307.8	302.0	341.8
322.1	328.8	284.5

Statistisches Jahrbuch für das Deutsche Reich, 1915

Yield per *hectare*, double centners (100 kilograms)

Wheat			(2)	Rye		
mill. tons						
1913	1876-85	1886-95	1913	1876-85	1886-95	1913
0.57	16.3	18.5	25.2	14.9	16.9	22.0
0.27			16.0			14.9
0.43	22.0	25.2	33.7	15.9	16.0	17.6
10.43	12.7	13.7	20.7	9.8	10.6	17.2
0.24	10.6	11.8	10.9	9.7	10.6	9.9
1.27	11.2	11.9	13.3	10.0	10.6	10.6
?	_	_	_	_	_	_
0	18.2	20.1	21.1	—	—	—
0.005			25.6			
0.14	8.0	7.4	12.2	—	—	—
0.42	16.9	18.7	24.2	12.9	14.3	18.5
2.7	10.8	10.7	13.4	9.9	9.9	13.8
1.34	9.6	12.4	12.8	8.3	10.2	11.9

(2) 1913 figures from *Statistisches Jahrbuch für das Deutsche Reich*, 1915. The remainder p. 781.

	Wheat			Rye	
	mill. centners		mill. tons	mill. double centners	
	1878-82	1893-97	1913	1878-82	1893-97
12. Portugal	1.7	1.9	?	1.3	1.3
13. Rumania	13.4	15.4	2.3	1.2	2.1
14. *Russia* (*European* + *Poland*)	55.1	112.6	22.8	152.9	198.3
15. Sweden-Norway	0.9	1.2	0.2	4.9	5.7
Norway			0.08		
16. Switzerland	1.0	0.9	0.1	0.5	0.4
17. Serbia	2.4	2.2	0.4	0.3	0.3
18. Spain	23.1	24.7	3.0	5.1	4.4
19. Turkey (*European*)	7.7	5.6	?	3.3	3.5
Europe	320.9	397.3	Σ=57.0	292.6	354.4
20. Algeria	5.6	6.1	1.0	0	0
21. Egypt	4.8	3.3	?	—	—
22. Argentina	3.8	16.2	5.4	—	—
23. Australia	8.5	8.7	2.4	—	—
24. Canada	8.2	11.1	6.3	0.5	0.5
25. Cape colony and Natal	1.0	0.8	0.1	—	—
26. Chile	4.1	3.9	0.6	—	—
27. India	69.4	62.3	9.9	—	—
28. Japan	3.7	5.1 0.7	4.2	8.4	
29. Tunisia	1.0	1.8	0.1	—	—
30. Uruguay	0.8	1.8	0.1	—	—
31. United States	122.7	124.2	20.8	6.3	6.7
Non-European countries	233.6	245.4	Σ=47.4	11.1	15.7
World =	554.5	642.7	104.4	303.7	370.1
Luxemburg			0.02		
Mexico			0.3		
New Zealand			0.1		

N.B. See general conclusions on the next page.* **N.B.**

* See p. 483 of this volume.—*Ed.*

	Wheat			Rye		
mill. tons						
1913	1876-85	1886-95	1913	1876-85	1886-95	1913
?	—	—	—	—	—	—
0.09	—	10.6	14.1	—	—	10.5
24.69	5.3	5.6	9.1	6.0	6.4	8.5
0.56	13.1	14.8	24.2	13.4	14.4	14.1
0.02			17.6			16.3
0.05	—	—	22.0	—	—	19.2
0.04	—	—	10.7	—	—	8.7
0.71	—	—	7.8	—	—	9.1
	—	—		—	—	
{ Western Europe	10.9	11.2		10.2	10.9	
{ Eastern	6.7	7.4		6.2	6.6	
	8.8	9.2		7.3	7.8	
0.00			7.2			13.7
—						
0.03			7.8			9.0
—			(7-10-16)			8.1
0.06			14.1			12.1
0.00			4.5			—
0.04			14.4			13.0
—		6.3	8.3			—
—	—	10.9	14.4		11.9	15.2
—	—					—
0.00			4.5			8.4
1.05	8.3	8.6	10.2	8.2	7.9	10.2
0.02						
0.00						
0.00						

Per-capita **consumption (kg.)**

		Germany	France	Great Britain	Italy	Austria-Hungary	Russia
Wheat	1878-82	55.3	214.0	188.1	123	—	—
	1883-87	57.2	213.0	164.6		91.8	—
	1888-92	59.8	213.0	171.1		92.5	18.9
	1893-97	71.8	204.0	167.0		100.5	37.4
	1913*)	96					
Rye	1878-82	129.3	38.0	1.3	—	—	—
	1883-87	118.6	37.0	2.1	?	66.2	—
	1888-92	108.5	36.0	2.1	3.3	60.4	111.0
	1893-97	126.7	38.0	2.7	2.9	59.2	139.0
	1913*)	153					
Barley	1878-82	48.7	31.0	?	—	—	—
	1883-87	51.8	31.0	67.0	?	41.9	—
	1888-92	55.8	32.0	68.6	6.0	37.6	17.8
	1893-97	59.8	31.0	71.7	5.2	38.4	27.1
	1913*)	108					
Oats	1878-82	89.1	91.0	?	—	—	—
	1883-87	84.1	95.0	84.6	?	51.9	—
	1888-92	86.9	96.0	87.4	8.1	48.8	48.1
	1893-97	85.3	92.0	85.8	7.2	51.6	65.7
	1913*)	128					
Maize	1878-82	5.1	20.6	48.5	65.0	—	—
	1883-87	3.8	23.4	41.7		68.2	—
	1888-92	8.4	23.3	44.9		77.6	2.3
	1893-97	14.4	22.4	53.8		82.2	4.7

*) *Statistisches Jahrbuch für das Deutsche Reich*, 1915.

The figures for 1913, written in pencil, are *obviously not comparable*, for even the 1893-97 figures are much higher.

The authors' general conclusions:

"As already indicated, grain production in the last decades has developed very unevenly in the various countries owing to differences in population and communications factors. In the centre of Western Europe, where development is towards, so to say, urbanisation—in Great Britain, Belgium, Holland, etc.—the decline in crop areas and the increase in relative yields have resulted in diminishing production of wheat, rye, barley and maize, whereas production of oats, used mainly for livestock, has increased. N.B.

"In all other parts of Western Europe, except for the border regions, a certain fluctuation is to be observed; expansion of crop areas has stopped, but yields are increasing considerably, and production of almost all cereal crops continues to increase. In the border regions between Western and Eastern Europe, in Sweden, Poland, Galicia, Hungary, etc., total production is growing very considerably owing to expansion of crop areas, and still more to much higher yields. In Eastern Europe, chiefly as a result of larger crop areas, grain production has risen enormously, but only in the main cereals, not the secondary ones. N.B.

"In overseas areas, a distinction should be drawn between such countries as the United States, Canada, Argentina and Uruguay, whose geographical position and the development of communications and the railway system have brought them into much closer contact with the densely populated centres of Western Europe, and all the other areas. The former have developed their grain production chiefly by extending crop areas, sometimes very rapidly- among the latter, however, only a few have increased production. Limited production has obliged Egypt and Japan to import grain; Algeria and Tunisia, as a result of French economic policy, mainly supply France, while India, South Africa and Australia, because of their population conditions and underdeveloped communications system, have not produced any stable, big surpluses over and above domestic requirements" (p. 36). N.B. N.B.

RAILWAYS[41]

Statistisches Jahrbuch für das Deutsche Reich, 36th year, 1915, Berlin, 1915 (2 marks). "International Surveys", table 31 (p. 46). "Railways of the World, 1890 and 1913" (Source: *Archiv für Eisenbahnwesen* (published by the Royal Prussian Ministry), 1892 and 1915).

The three groups (**1**, **2** and 3) are mine

Σ (and ΣΣ are mine, as also the lay-out

(kilometres)

		1890	1913
(1)	***Great Britain and Ireland***	32,297	37,717
(1)	***Malta*, *Jersey*, *Isle of Man***	110	110
(1)	***Portugal***	2,149	2,983
(2)	Spain	9,878	15,350
(1)	***France***	36,895	51,188
(1)	***Belgium***	5,263	8,814
(1)	***Netherlands*** (+Luxemburg)	3,060	3,781
(1)	***Switzerland***	3,190	4,863
(2)	Italy	12,907	17,634
(2)	Sweden, Norway and Denmark	11,566	21,354
(1)	***West-European*, *old colonial countries***	82,964	109,456
	Western Europe. Σ	117,315	163,794
(2)	Germany	42,869	63,730
	Western Europe. ΣΣ	160,184	227,524
(2)	Western Europe. ***Bulgaro-Magyar countries***	77,220	118,068
(3)	Austria-Hungary (+Bosnia+ Herzegovina)	27,113	46,195
(3)	Russia (European) (+Finland)	30,957	62,198
(3)	Rumania	2,543	3,763
(3)	Serbia	540	1,021
(3)	European Turkey	1,765	1,994
(3)	Bulgaria		1,931
(3)	Greece	767	1,609
	Balkans. Σ	5,615	10,318
(3)	Eastern Europe. ΣΣ	63,685	118,711
	All Europe (Europa):	223,869	346,235

America		(kilometres) 1890	1913
Canada (+Newfoundland)		22,712	48,388
United States (+Alaska 1,054 km.)		268,409	410,918
Mexico		9,800	25,492
Central America [1])		1,000	3,227
Antilles [2])		2,338	6,022
North and Central America	Σ	304,259	494,047
Colombia and Venezuela		1,180	2,020
British Guiana		35	167
Dutch "		—	60
Brazil		9,500	24,985
Paraguay and Uruguay		1,367	3,011
Argentina		9,800	33,215
Chile, Bolivia, Peru and Ecuador		5,276	12,603
South America	Σ	27,158	76,061
Total for America		331,417	570,108

	(kilometres) 1890	1913
All French possessions	40	224
All British possessions	[23,181]	49,185
All Dutch"	—	60
United States	268,409	410,918
Puerto Rico	18	547
Mexico+Central America+Antilles	12,646	33,340
South America (except colonies)	27,123	75,834
Total	331,417	570,108

		1913
[1])	Guatemala	987 km.
	Honduras	241
	Salvador	320
	Nicaragua	322
	Costa Rica	878
	Panama	479
		Σ=3,227

				⋕ 1890
	Cuba	3,752	. . . . .	1,731
independent [2])	Dominican Republic	644	. . . . .	115
	Haiti	225		
	Jamaica	313	British	
	Puerto Rico	547	U.S.	18
	Martinique	224	French	
	Barbados	175	British	474
	Trinidad	142	British	
		Σ= 6,022		2,338

The very first issue of the *International Survey* for 1903 gives the following figures for 1890:

Cuba	1,731
Dominican Republic	115
Antilles	492
	(km.) 2,338

(⋕) I have taken these figures from *Archiv für Eisenbahnwesen*, 1892, p. 496, in which the figure *474* refers to Jamaica *and* Martinique *and* Barbados *and* Trinidad.

The following can be assumed for 1890:

French (Martinique)	40 km.	Σ=2,338
British	434	
United States (Puerto Rico)	18	
Independent	1,846	

Asia:	1890	1913
Asia Minor, Syria, Arabia and British Cyprus (98 km.)	800	5,468
Persia	30	54
British India, Ceylon } British	27,000 308	55,761 971
Dutch Indies { Java, Sumatra }	1,361	2,854
Malay states (Borneo, Celebes, etc.) [4])	100	1,380
Portuguese India	54	82
Siam	—	1,130
Indo-China and *Philippines* (United States) [1])	105	3,697
Russia (Siberia and Central Asia) [3])	1,433	15,910
China	200	9,854
Japan (+Korea)	2,333	10,986

All British possessions (Cyprus, India+ Ceylon, Malacca)....	27,408	58,204
All *French* possessions	105	2,493
Total Asia	33,724	108,147

[4]) *British* Borneo (the British part of it) in 1912 according to *The Statesman's Year-Book*: 130 *miles* (idem for 1915). (*Dutch*) Celebes?

N.B. Apparently, *all* the "Malay states" should be included in British possessions.

439 km. is shown for 1901

	1913 km.	
[1]) Cochin-China, Cambodia, Annam, Tonkin	2,398	French
Pondicherry	95	French
Total French	2,493	
Malacca	92	British
Philippines	1,112	U.S.
	Σ=3,697	

The figure 105 in 1890 refers to Cochin-China, Pondicherry and Tonkin (all of which are French).

[3]) The Chinese-Eastern Railway (1,480 km.) is listed under *China* (in 1913 table).

	Africa:	1890		1913
	Algeria and Tunisia	3,104		6,382
	Belgian Congo	—		1,390
	Egypt (+Sudan)	1,547	1902	5,946
	Union of South Africa	3,825		17,628
	British colonies	[98] [6])		3,790
(*)	German "	—	1,503	4,176
(*)	Italian "	—	470	155
(*)	Portuguese "	[292] [6])	27	1,624
(*)	French "	[520] [5])	992	3,218
	(*)	[910] [2])	1,160	12,963
	Total Africa	9,386		44,309
	Total British possessions	[5,470]		27,364
	" French	3,624		9,600

[6]) approximate distribution
For 1885, Neumann-Spallart gives 147 km.(!!)
for Mauritius; 440(!!!) for Angola + Mozambique!!

[5]) Taken from *Archiv für Eisenbahnwesen*, 1892, p. *1 2 2 9*

[2]) refers to:

1902		1890
169	(British) Mauritius	
127	French Réunion	126
	French "Senegal Region"?	394
543	Portuguese Angola	
449	Portuguese Mozambique	

	Australia:	1890	1913
(British) Empire	Australian Commonwealth	15,769	30,626
	New Zealand	3,120	4,650
U.S.A.:	Hawaii (with Maui Island: 11 km. and Oahu: 91)	—	142
	Total Australia	18,889	35,418
	Total	617,285	1,104,217

(Together with colonies)		1890	1913
	United States	268,427	412,719
	British Empire	107,355	207,856
	Russia	32,390	78,108
	Germany	42,869	67,906
	France	40,664	63,505
		491,705	830,094
	Four small colonial powers (Belgium, Holland, Portugal, Italy)	25,086	39,377
	Eleven non-colonial countries (rest of Europe)	57,362	98,080
#	Japan	2,333	10,986
#	Semi-colonial countries: Asia	1,030	16,506
#	Semi-colonial countries: America	12,646	33,340
#	South America (10 countries)	27,123	75,834
	Total	617,285	1,104,217
#	but deducting the first five Independent and semi-independent countries of Asia and America	43,132	136,666
		125,580	274,123

Total colonies (America, Asia Africa and Australia)		*Asia, Africa and Australia*			
1890	1913		Colonies:	1890	1913
74,948	170,029	. . .	British	51,767	120,844
3,769	12,317	. . .	French	3,729	12,093
1,361	2,914	. . .	Dutch	1,361	2,854
346	1,706	. . .	Portuguese	346	1,706
1,433	15,910	. . .	Russian	1,433	15,910
—	1,390	. . .	Belgian	—	1,390
—	155	. . .	Italian	—	155
—	4,176	. . .	German	—	4,176
18	1,801	. . .	United States . . .	—	1 ,254
81,875	210,398	. . .	Total colonies	58,636	60,382
		. . .	Japan	2,333	10,986
		Semi-colonies:	Asia Minor, Persia, Siam and China	1,030	16,506
			Total	61,999	187,874
			Europe	223,869	346,235
			United States	268,409	410,918
			ββ all colonies	81,875	210,398
		#	semi-colonies: Asia	1,030	16,506
		#	" " America	12,646	33,340
		#	(Mexico, Central America + Antilles) Japan	2,333	10,986
		#	South America (without colonies)	27,123	75,834
			Total	617,285	1,104,217
			#αα	43,132	136,666
			αα + ββ	125.0	347.1

The main source is *Archiv für Eisenbahnwesen*. I have gone through the **1892** edition (15th year of publication) and have inserted additions in the preceding pages.

The 1890 figures for the "Malay states" are given *only* in total; there is *nothing* in brackets (not even the words: "Borneo, Celebes, etc.", which occur in the 1915 edition of the *Statistisches Jahrbuch für das Deutsche Reich*).

There are data by decades: 1840 and subsequent years (up to 1890)—which appear also in the Brockhaus Encyclopaedia.

Value estimates (mostly 1888-91) are given:

Europe average 302,500 marks per *km.*
Railways outside Europe " 160,600 " " "

Σ= *131,000* million marks

World average = 212,100, i.e., about *131,000 million* marks (212,100 × 617,300)

212,100 × 200,000 = 40,000 million*

A comparison of these railway data with the following figures (*Statistisches Jahrbuch für das Deutsche Reich*, 1915) is revealing:

Coal Output (mill. tons)

	Germany	France	Russia	Great Britain	United States
1892	92.5	26.1	6.9	184.7	162.7
1912	255.7	39.2 (1911)	31.0	264.6	450.2 (1911)

Pig-iron Output (mill. tons)**

1892	4.9	2.0	1.1	6.8	9.3
1912	17.6	4.9	4.2	9.0	30.2

N.B. The disproportion between the development of iron and coal production, on the one hand, and railway construction, on the other (monopoly = colonies), is very striking.

This relates to the problem of monopolies and finance capital!!

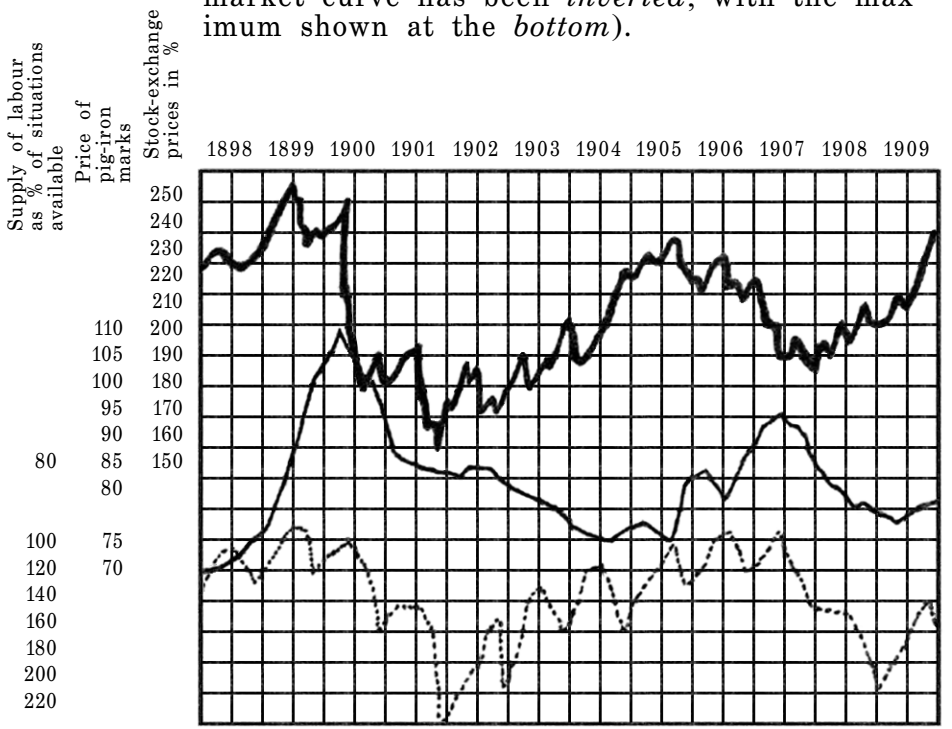
* See present edition, Vol. 22, p. 274.—*Ed.*

** Ibid., p. 275.—*Ed.*

DIE BANK
Die Bank Magazine, 1910, p. 222

Stock-Exchange prices and the business curve, 1898-1909

——— *Stock-Exchange prices* (Disconto-Kommandit, Harpener, Bochumer and Allgemeine Elektrizitäts average at end of month).
——— *Price of pig-iron* (quarterly average of Hamburg quotations for British pig-iron (Glasgow)).
····· *Labour market* (average quarterly influx of workers on the German labour exchanges; to facilitate comparison, the labour market curve has been *inverted*, with the maximum shown at the *bottom*).



The diagram is from Alfred *Lansburgh*'s article "The Stock Exchange's Power of Divination" (*Die Bank*, 1910, I, p. 222).

Can be used to illustrate *actual* fluctuations and *general* trends during a complete cycle in modern times (1900 crisis, 1907 depression, 1898-99 boom, etc.).

RAILWAY STATISTICS

The Statesman's Year-Book, *1915* (London, 1915) (52nd year). Edited by J. Scott Keltie.
"The British Empire", *1913-14*

Railways open

	+8 Malta
United Kingdom	23,441 miles
India	34,656
Cyprus	61
Ceylon	605
Straits Settlements and Federative Malay States	771
"Borneo and Sarawak"	130
Asia (except India)	1,567
Australia and Oceania	23,021
Africa	17,485
America	31,953
ΣΣ =	134,131 *

1 mile = 1.6 km.; 134 × 1.6 = 214,400 km.; 130 × 1.6 = 208.0
771 × 1.6 = 1,233.6 + 208 = 1,441 km.

Railways in the *Dutch* colonies (end of 1913)

1,512 miles	—Java
209 "	Sumatra "Dutch East Indies", including Borneo and Celebes.
Σ=1,721 "	

1,721 × 1.6 = 2,753.6 km.

Dutch West Indies (Curaçao, Surinam = Dutch Guiana) —no railways.

Neumann-Spallart, *Surveys of World Economy*, 1883-84. p. 508. "In *Mauritius* there has been no addition since 1882 to the two railways totalling 92 miles."

* So given in the *Statesman's Year-Book*.—*Ed*.

Ibidem, p. 512.

1885

Angola = 350 +
Mozambique = 90
440 km.

92 miles × 1.6 = 147.2 km. + 440 = 587
147.2 ÷ 587 = 25.1 per cent.

1890

Σ 1890 = 910
−520
390 km.

about 98 km. British (Mauritius)
292 " Portuguese (Angola and Mozambique))
390 390 × 25.1 = 97.98
+520 French
Σ = 910

Ibidem, p. 504. Jamaica (1885) — 107 km.
Barbados 42
Martinique ("short" railways)? ***no information***...

	1890	1913
Jamaica		313
Martinique		224
Barbados		175
Trinidad		142
	Σ = 474	854

We assume 40 km. in 1890 for Martinique (less than in Barbados)

Four small colonial powers

Holland	3,060	3,781	
	1,361	2,854 ⟶	2,914
			−2,854
	4,421	6,635	60
Portugal	2,149	2,983	
	346	1,706	
Belgium	5,263	8,814	
	—	1,390	
Italy	12,907	17,634	
	—	155	
	Σ = 25,086	39,317	

(Eleven countries)

Spain	9,878	15,350
Switzerland	3,190	4,863
Scandinavia	11,566	21,354
Austria-Hungary	27,113	46,195
Rumania	2,543	3,763
Serbia	540	1,021
Bulgaria and Turkey	1,765	1,994
		1,931
Greece	767	1,609
	57,362	98,080

British railways in Africa [1913]

6,399
1,775
5,582
3,872
Σ=17,628
5,946
3,790 (1,099+192+418+302+1,567+212=3,790
27,364

	Asia	America	British in Asia	
	1890		1913	
British railways	27,000	22,712	55,761	56,732
	308	434	971	+92
	100	35	56,732	56,824
	27,408	23,181	+1,380	
			58,112	
			+92 Malacca	
			58,204	

	1890	1913
Asia	33,724	108,147
Africa	9,386	44,309
Australasia	18,889	35,418
	61,999	187,874
Europe	166.2	268.9
British Empire	107.3	207.8
Russian Empire	32.4	78.1
Eastern Asia	3.3	27.5
America	308.1	521.9
	Σ=617.3	1,104.2
	617,283	1,104,157

	1913
Europe	346,235
America	570,108
Others	187,874
	Σ=1,104,217

1. United States
2. British Empire
3. Russia
4. Germany
5. France
6. Small colonial powers (Holland, Portugal, Belgium, Italy)
7. Rest of Europe
8. Japan
9. South America
10. Semi-colonies . . . .

	1890	1913	
Mexico	9,800	25,492	
Central America	1,000	3,227	
Independent Antilles	1,846	4,621	
	12,646	33,340	

	1890	1913	
Asia Minor	800	5,468	Asia Minor
Persia	30	54	Persia
		1,130	(Siam)
China	200	9,854	(China)
	1,030	16,506	

	1890	1913		
Asia British	27,408	58,204		
Africa "	5,470	27,364		
Australia "	18,889	35,276		
Great Britain	51,767	120,844		
France	3,729	12,093		
Holland	1,361	2,854		
Portugal	292	1,624	Portugal + 54	82
Belgium	—	1,390	+ 292	1,624
Italy	—	155		
Germany	—	4,176	346	1,706
United States	—	1,112 + 142		
				Russia
Colonies:	Σ = 57,149	144,390	+1,433 ...	15,910
Japan	2,333	10,986		
Semi-Colonies {Asia Minor, Persia, Siam, China}	1,030	16,506		
	60,512	171,882		
	1,433	15,910		
	61,945	187,792	61,999	187,874
	54	82		

NOTEBOOK "ν" ("NU")

Contents

ν

Imperialism

LA REVUE POLITIQUE INTERNATIONALE

La Revue politique internationale, 1915, March-April (No. 14) (Lausanne).

"*Democratic Russia and the War*" by M. Grégoire Alexinsky, ex-Deputy of the Duma ((pp. 168-86)).

Editorial note: "It is curious to note the solidarity which at the present time, despite all differences of principle, binds the greater part of the Russian revolutionaries and liberals to autocratic tsarism" (p. 168).

Russia (even official Russia) could not have wanted the war. Russia had been preparing for 1918, 1920? A murderer five years *too early*??

[p. *177*: **editorial** note (from Alexinsky's book): there are "*two governments*" in Russia.]

Russia defended weak Serbia, etc. A "good deed" (181), in spite of tsarism's other vile actions.

For the neutralisation of the Straits—not for "a war of conquest", like Milyukov ... an Allied victory would be a boon for European progress.

PLEHN, *WORLD POLITICS*

Dr. Hans Plehn, *World Politics. An Outline of Recent World History after the Anglo-Japanese Alliance*, Berlin, 1907 (214 pp.), 3rd edition.

Not a bad outline, mostly devoted to Great Britain and Japan (and to America and Russia in connection with them. Great Britain—Japan—United States—Russia).

The second part (pp. 91-167) describes the British foreign policy structure (*not* a state, *but* "society").

WEGENER, *INDIA TODAY*

Professor Dr. Georg *Wegener*, *India Today. The Basis and Problems of British Rule in India.* (*Colonial Studies*, No. 61-63. 1.20 marks), Berlin, 1912 (52 pp.).

A very good, clear, brief outline.

India—4,575,000 sq. km.

315 million (1911) (1901—297)
(1801—100)

Danger of war on the part of Russia: the British are now armed "to the teeth" here.

There is no one nation, no one language.

"Bengalis"=70 million. The British partitioned Bengal (in order to weaken the national movement) in 1905, and

in 1911 (at the coronation in *Delhi*) promised to *a n n u l* this measure.

The *caste* system.

The British rule by means of "divide et impera"....

Extreme diversity of geographical conditions.

Isolation from the rest of the world.

Medievalism (religion—the external world is nothing)—agriculture—vassalage.

Two-thirds of the country are directly under British rule, one-third consists of vassal states.

Complete dependence (of agriculture) on the summer rains (the summer monsoon=*trade wind*). Otherwise there is *famine*.

The army—75,000 British
—150,000 natives (of **different** ethnic groups). The British *especially* exploit the enmity between the Moslems (about 60 million) and the Hindus.

The chief danger of the Sepoy rising (1857) lay in the native army going over to the insurgents. The British were saved by dissension between different ethnic groups and the somnolence of the masses.

Deaths from plague were: 1905—1,069,140
1907—1,315,892, and so on.

British administration is purely "dictatorial" (31), an "autocracy" (31).

The Indian Civil Service consists of about 1,000 persons, a staff of excellently paid excellent officials.

Britain, he says, has given India very much (pax Britannica, railways, postal service, administration of justice, etc., etc.).

Causes of ferment:

1) Coercion of the people by foreigners....

2) Rapid growth of population. (Famines.)

3) "Increasing agrarianisation of India": Britain stifles industrialisation.

Swadeshi movement (=for home-produced goods) (boycott of British products).

4) Taxes. Land taxes levied on the peasants.

5) Emergence of an intelligentsia. Education has created "an intellectual proletariat of the worst, and politically most difficult, kind" (43)—the author is a reactionary scoundrel.

6) Formation of an Indian nation. (The "National Congress".)

7) Religious movement against the British, for Asians, for their own cause, for everything Asian ... (terrorism, etc.).

(The British entrust artillery and arsenals only to white troops, p. 48. In general, the British are extremely cautious.)

ENGELS, "CAN EUROPE DISARM?"

Friedrich Engels, "Can Europe Disarm?" *Nuremberg*, 1893. An off-print from *Vorwärts* (Wörlein & Co.).

In the Berne Workers' Library, the *collection* begins with the pamphlet: *Karl Marx before the Cologne Jury*.

Preface: the articles were published in the Berlin *Vorwärts* in *March* 1893 "during the Reichstag debate on the Army Bill" (p. 3).

"I proceed, therefore, from this [the present, heutigen] situation, and for the time being propose only such measures as could be adopted today by any government without danger to the country's security. I am seeking only to establish that, from the purely military standpoint, there is absolutely no obstacle to a gradual abolition of standing armies" and if these armies are retained it is "against the internal enemy" (p. 3). ||| N.B. ||| N.B.

"A gradual reduction of the term of service by international agreement"—that is "the central point of my thesis" (p. 4)—"a general transition from the standing army to a **militia**" (p. 4, *idem*, p. 3).

(Thus the *essential point* for Engels = transition to a militia. This N.B.)

The preface is dated: London, March 28, 1893.

§ I. For twenty-five years now, Europe has been arming "unprecedentedly".... "Is it not stupid then to talk of disarmament?" (p. 5).

But the mass of the people ... call ... "for disarmament" "in all countries".... Is there no way out of the blind alley except through a devastating war?

"I maintain: disarmament, and thereby the guarantee of peace, is possible" (5) ... and Germany has the "power and vocation" to achieve it....

Further, §I describes briefly the transition to universal military service. Its "revolutionary" (p. 6) aspect is that it enlists all men for "national defence"....

There must be a transition to an "international maximum term of service" "with a militia system as the ultimate goal" (7).

at first a two-year maximum, followed by 1½, and so on! until??

§II. The possibility (military and technical) of a short term of service. A long one is unnecessary.

(Excessive parade drill (9), sentry duty (9), batmen (10) and such like idiocy.)

What of the cavalry? A rather longer term would be desirable—if the men had no previous riding training. But much can be done in this respect, too, and besides it should be possible to have "three- or four-year volunteers" (10).

In my life I have seen the collapse of so many vaunted customs, institutions, regulations, including military ones (10)———"that I would advise everyone especially to distrust military '*expert opinion*'" (p. 11, end of §II).

§III. The stupidity of conservatism in military matters, because military technology is especially revolutionary.

	Infantry fire	
40 years ago at ...	300 **paces**	
1870-71	600-1,000 "	(artillery: 3,000-4,000)
"new"	up to 3,000-4,000 "	(p. 11)

The necessity for military training of the youth, gymnastics, etc. (13-14), route marches (in summer), field exercises (14), etc., etc.

And the instructors?—retired non-commissioned officers. If they are dragged out "into the daylight of the school yard and the general code of civil law",—"then I will

wager that our rebellious (sic!!?) school youth will teach reason to the worst of these former oppressors of soldiers" (15). ||| ? N.B. N.B. ?

§ IV. Will other countries adopt it? Austria and Italy—yes.

France?—the "decisive country" (15). Will France deceive?

But Germany is much stronger: her population is greater; she has more officers, and that is very important. ("In all previous wars there was a shortage of officers after a few months of military operations" (17))....

Incidentally, the "undemocratic and politically objectionable" (16) institution of volunteers has a military value for Germany (> officers). But in France "the three-year soldiers have simply pushed out of the army the privileged one-year volunteers. This indicates that Germany's level of public political consciousness and the political institutions it permits are far below the French level" (16) | N.B.

§ V. Russia? Whether or not Russia will adopt it is unimportant. Unimportant in general; there are no officers.

The Russian soldier is very brave and fights well in a group. Now, however, individual action is required, and here he is of no use at all, and stands no comparison with "Western soldiers" (19).

Embezzlement by government officials, etc., in Russia (20).

"Russia has only to lose a few battles and the scene of operations will shift from the Vistula to the Dvina and Dnieper; an Allied Polish Army will be formed in the rear of the German army, under its protection; this will be just punishment for Prussia if she has then to restore a strong Poland for the sake of her own safety" (20).

§ VI. The internal situation of Russia is "almost desperate" ... "this European China" (21) ... the ruin of the peasants after 1861.... "*This path*" (of economic and social revolution = capitalism—in Russia) "*is for the time being predominantly a destructive path*" (21). ||| N.B.

Impoverishment of the soil, deforestation, etc. in Russia. Russia's credit is falling. "It is not France that needs Russia, but rather Russia that needs France.... If she had a little

sense, France could obtain from Russia whatever she liked. Instead, official France crawls on her belly before the tsar" (23)....

N.B.?! Russia lives by exporting rye—mainly to Germany. "As soon as Germany begins to eat white bread instead of black, the present official tsarist and big-bourgeois Russia will at once be bankrupt" (23).

end of §VI

§VII. And how do things stand with us? Endless "tyrannical treatment of soldiers" (24) ... "a parasitic nobility", "the arrogance of the sons of the bourgeoisie".... Formerly they were accidentally N.B. shot during manoeuvres (25)—"I knew a youth from Cologne who was killed in this way in 1849 by a bullet intended for his captain" (25), nowadays, with the small calibre magazine rifle, "this can't be done, so easily and unnoticeably" (25)....

In France such treatment of the soldiers is **impossible**.... The French soldiers must despise the German soldiers when they read of the treatment they are subjected to in the barracks....

§VIII. Will this proposal be adopted?

Germany puts it to Austria, Italy, France. If the last-named adopts it, she will not worsen her position, but she will if she rejects it.

"All armies are unusually capable of learning after *great defeats*" (27)....

N.B. "We should not forget that twenty-seven years of Bismarck's administration made Germany hated everywhere—and with good reason. Neither the annexation of the North Schleswig Danes, nor the non-observance, and subsequent swindling cancellation, of the Prague Peace Treaty article relating N.B. to them, nor the annexation of Alsace-Lorraine, nor the shabby measures taken against the Prussian Poles, have had anything at all to do with establishing 'national unity'" (27).... Bismarck made Germany hated....

"Wherever you go you will find sympathy for France, but distrust of Germany" (28).... N.B.

"Let us not forget that Great Britain will decide the outcome of the next war" (28)—mastery of the seas, "will simply starve out" (France or Germany).

Germany would gain a great deal by making such a proposal (p. 29)....

End

MARX, *REVELATIONS ABOUT THE COLOGNE COMMUNIST TRIAL*, WITH AN INTRODUCTION BY ENGELS

In the article "On the History of the Communist League" (dated October 8, 1885) in the pamphlet: *Revelations about the Cologne Communist Trial* (Zurich, 1885) Engels writes, at the end of the article:

... Marx, "the most hated, most slandered man of his time" (p. 17)....

Marx's postscript (January 8, 1875) to the same pamphlet:

..."After the failure of the 1848 revolution, the German workers' movement continued to exist only in the form of theoretical propaganda, which was confined moreover to narrow circles, and the Prussian Government did not for a moment deceive itself about its practical harmlessness" (73). N.B.

ENGELS, *INTERNATIONAL ARTICLES FROM THE "VOLKSSTAAT"*

Friedrich Engels, *International Articles from the "Volksstaat"* (1871-75), Berlin, 1894.

PREFACE, 1894

In the preface (January 3, 1894), Engels says, inter alia, that in all these articles (1871-75) he calls himself a Communist

Communists or Social-Democrats?

and not a Social-Democrat, for *at that time* the Proudhonists in France, and Lassalleans in Germany called themselves Social-Democrats (p. 6).

"For Marx and myself, therefore, it was quite impossible to choose such a loose expression to denote our special standpoint. Today things are different and the word* may be allowed to pass, however unsuitable it is for a party whose economic programme is not merely socialist, but directly communist, and whose ultimate political goal is to overcome the whole state and, therefore, democracy as well. The names of *actual* [Engels's italics] political parties, however, never fully correspond to them; the party develops, the name persists" (p. 7).

N.B.

N.B.

N.B.

"THE BAKUNINISTS AT WORK"

"The Bakuninists at Work" (1873). End.... "The Bakuninists in Spain have given us an incomparable example how *not* [Engels's italics] to make a revolution" (p. 33).

N.B.

"A POLISH PROCLAMATION"

Ibidem "A Polish Proclamation" (June 11, 1874).

"Russian militarism lies at the back of all European militarism. Acting as a reserve on the side of France in the war of 1859, and on the side of Prussia in 1866 and 1870, the Russian army on each occasion enabled the foremost military power to defeat its enemies one at a time. Prussia, as the foremost military power of Europe, is a direct creation of Russia, although since then she has unpleasantly outgrown her protector" (p. 35).

N.B.

N.B.

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* Social-Democrat—*Ed.*

..."Besides, after the Napoleonic wars, Russia took the lion's share of the former Prussian and Austro-Polish provinces and openly came forward as the arbiter of Europe, a role she continued to play until 1853.... During the years of revolution, the suppression of Hungary by Russian troops was as decisive a development for Eastern and Central Europe as the June battles in Paris were for the West.... Russian domination in Europe ushered in the rule of reaction. The Crimean War freed the West and Austria from the insolence of the tsar.... We have seen above that the Russian army serves as the pretext for and mainstay of all European militarism.... It was only because the Russian army prevented Austria from siding with France in 1870 that Prussia was able to defeat France and consummate the Prusso-German military monarchy" (38)....

The talk about the "essentially aristocratic" character of the Polish movement is "silly".

"Much more than France, Poland, owing to her historical development and present position, is faced with the choice—to be revolutionary or to perish" (39).... N.B.

In 1871, most of the Poles (émigrés) were on the side of the Commune ... "was that the behaviour of aristocrats?" (39). N.B.

The Polish aristocracy sides more and more with Russia, in order to reunite Poland, even if under Russian rule; the revolutionary masses reply by offering an alliance with the German Workers' Party and by fighting in the ranks of the International" (39).

"*A people cannot be free if it oppresses other people*. The armed force it requires to suppress another people, is in the long run always turned against itself" (40)—as applied to Russia: the restoration of Poland "is a necessity ... for the **Russians themselves**" (N.B.) (40). N.B.

"ON SOCIAL RELATIONS IN RUSSIA"

"On Social Relations in Russia" (1875).

..."The big bourgeoisie of Petersburg, Moscow, Odessa: which has developed with unheard-of rapidity during the

last decade, chiefly due to the railways ... the entire Russian large-scale industry, which exists only thanks to ... protective tariffs,—have all these important and rapidly growing elements of the population no interest in the existence of the Russian state?" ... (p. 52) (against Tkachov).

A postscript (1894)—to the article "On Social Relations in Russia"—ends with this sentence:

"It [the revolution in Russia] will not only rescue the great mass of the nation, the peasants, from the isolation of their villages, which constitute their 'mir', their world, and lead them on to the big stage, where they will get to know the outside world and thereby themselves, their own position, and the means of salvation from their present state of want, but it will also give a new impetus and new, better conditions of struggle to the workers' movement of the West, and hasten the victory of the modern industrial proletariat, without which present-day Russia cannot find her way, whether through the village commune or through capitalism, to a socialist transformation of society" (p. 72).

LAUFENBERG, *ORGANISATION, WAR AND CRITICISM*

Laufenberg || *Organisation, War and Criticism.* Documents concerning the Hamburg Party debates by

Dr. Heinrich *Laufenberg*,
Fritz *Wolffheim* and Dr. Carl *Herz*.

"For distributing only to Party members, on presentation of their membership card."

(Published by Dr. H. Laufenberg, Hamburg) (pp. 1-77).

Year???? (1915) ((undoubtedly 1915)).

Echo[42] followed the government slogan (8)—**very interesting** quotations from *Echo* (9-15) (urging militarisation of the youth, 26 et seq.). Statements by Laufenberg and others in opposition to this.

Leaders' tactic that borders on informing against, etc.

Proposal for conference of "authorised delegates" rejected (23 and others).

...“The contradiction was bound to come into the open between the leaders, who follow the policy of the *Echo*, and the masses, who adhere to the old, proletarian principles and reject the neo-revisionist policy of harmony” (34).... leaders and masses

§VIII: “*Compact (Sammlung) of the leaders*” (N.B.) (against the masses).

The discussion showed:

“The debate, which spread over four evenings, was extremely indicative of the frame of mind of the so-called leading circles in Hamburg. Clearly evident was the fact, long known to any attentive observer of Hamburg party life, that this upper stratum of leaders had long ago inwardly broken with the radical views of the Hamburg party rank and file. Although they still employed radical formulas at meetings, in reality for these men Marxism had become an embarrassing uniform which was only donned for official party functions” (36). !! !! N.B. N.B.

von Elm, August *Winnig*, *Hildebrandt* and others, defended imperialism, etc. (p. 36). N.B.

(((H. Thomas *supports* Elm and the others, p. 47. etc.)))

...“In districts 1 and 2, where the executive committees control the organisations, no meetings were called during the first four months of the war” (37)....

p. 41: The opportunists refer to Kautsky (he, too, is stated to be in favour of muting criticism)—and the authors' *note* to the effect that Kautsky had ***protested*** against this “misuse” of his name. the opportunists and Kautsky

In the *Hamm* district—there were 6,000 members before the war—after four meetings, the vast majority *supported* Laufenberg (p. 47)....

§XI: “The carrot and the whip”—the opportunists, the “bosses” of the organisations, *Elm* (Adolf von Elm) and Emil Krause—“gave a seat” on the “Public Welfare Committee” (48) to a young worker (of the Workers' Education

Central Committee), so that he should act in a spirit of moderation....

N.B. !!! Laufenberg's pamphlet was sold by "Karl *Hoym*" (48), a worker in the (party) print-shop *Auer & Co.*, and he was subjected to persecution (Treiberei)—let him complain, they said, "to his Dr. Laufenberg" (48).

!! The police have gone to such lengths that, "as in the case of speeches by Comrades Scheidemann and Lensch, they have given speakers definite instructions about the content of their speeches and have forbidden discussion. Whereas the activity of *bourgeois* associations is not subjected to police interference, the corporate life of party and trade union organisations is now controlled by the police. We are thus in the same exceptional position as at the time of the Anti-Socialist Law" (52)....

N.B. !! The *press committee* (in whose name *H. Thomas* wrote) rejected Laufenberg's complaints ... (claims that the influence of Rosa, Mehring, Zetkin, etc., "in the party as a whole is quite insignificant" p. 53, etc.), and in Bremen, this same H. Thomas wrote, "after Comrade Pannekoek left Bremen" (54) meetings have been "much quieter (viel ruhiger)".

From Laufenberg's reply (to this committee) of January 22, 1915:

N.B. ..."The laudatory reception the policy of the *Echo* enjoys in bourgeois circles, up to and including the *Hamburger Nachrichten* may prompt you to believe that the broad bourgeois public would protect your [the press committee's] back against the blows of the party opposition. This policy in fact coincides with the views that have enabled Comrades Dr. August Müller and von Elm to enjoy the well-deserved favour of the bourgeois world" (55).

..."*Echo*'s nationalist-chauvinist position (56)....

N.B. The press committee's reply of January 27, 1915, accuses Laufenberg and Co. of "*demagogy*" (59) ... and states that the party Executive Committee has declared "you and your friends" to be "saboteurs of the party" (62)....

From Laufenberg's reply of February 4, 1915: ... "local '**party bureaucracy**'" (63). N.B.

From *Thomas*'s reply (February 4, 1915)—the war is imperialist and we have not denied it, but we have denied that the cause is *only* German imperialism. We all recognise that the cause is "international imperialism" (65). N.B. international and German imperialism!

..."The meetings of party members in Hamburg Altona and Ottensen, whenever a discussion took place, adopted our [Laufenberg and Co.'s] point of view" (65). N.B.

Hamburger Echo is "the second largest Social-Democratic newspaper in Germany" (67).

The *New York Volkszeitung*—"has pursued a consistent proletarian policy during the world war" (67). [*Echo* was angered by this, blaming "our old Schlüter" for it (p. 68) and describing as stupid the accusations that German Social-Democracy "has by its attitude lost the character of a workers' party and renounced its principles" (68).] N.B. *Echo* sets out the view of New York *Volkszeitung*

..."But this small wing [the opportunists] is not content with imposing on the party the tactics of national reformism. It is going further, attempting to split the party into two camps.... In contrast, the spokesmen of radicalism uphold the principle of unity of the German workers' movement" (73) ... (on the old bases of its 50 years' history).... N.B.

and the conclusion XV (§), "What should be done?"

..."The development of the proletarian organisations during the lengthy period of consolidation of the capitalist national states was premised on the belief that great political upheavals in the foreseeable future were out of the question, and that for a long time to come the struggle would centre on a parliamentary compromise with the old entrenched forces....

..."The world war changed the situation at a stroke. It showed that the capitalist economy had passed from the period of continuous upward development into the era of a stormy, explosive extension of its field of action. This confronts the proletariat with the task of adapting its class organisations to the revolutionary needs of the future.

"The monstrous events of last summer caught the proletarian organisations unprepared. It was left entirely to the local bureaucracy to determine our attitude towards these epochal political developments, as if it were a matter of the monthly control of dues stamps" (74)....

N.B ...“In our view, the main thing for the present opposition is to make the changes the situation requires in the form of organisation of the German proletariat. The previous general situation in Germany for decades compelled the proletariat to engage in predominantly *reformist* activity. In organisational matters this was based on the *leader principle*, in practical action *exclusively on parliamentarism*. The historic changes we are now experiencing compel the proletariat to undertake *mass action*, and this presupposes that the masses are *free* as regards their organisation, class-conscious and independent in determining the course of their actions" (75).

And the authors even propose a "*statute*" (76-77).

End

WIRTH, *HISTORY OF THE MODERN WORLD*

Albrecht *Wirth*, *History of the Modern World*, 4th edition, Leipzig, 1913 (and other sources).

[The introduction is characteristic: "1783-1870" (two dates and nothing else)]

TABLE OF COLONIAL SEIZURES AND WARS

	America and Western Europe (350)*	Eastern Europe (Austria+ Balkans+Russia) (250)*	Other countries (mainly Asia and Africa) (1,000)*
1873-1879	Britain takes Fiji Islands (73).—United States: plans against Haiti (74).—Britain takes Quetta (76).—Britain takes Transvaal (77).—Britain at war with Afghanistan (78). Abrogation of Treaty on Schleswig-Holstein (Vienna, October 11, 1878). Britain fights Zulus 1879.—1879: Britain takes Cyprus. *Triple Alliance* (Germany+Austria+Italy) (79) (October 8, 1879).	General Russian advance in Turkestan: 1868-76.—Russia against Khiva (73).—Russia takes Sakhalin (75).—Russia takes Ferghana (76).—Russo-Turkish War (77). (Russia takes part of Bessarabia and Asia Minor.) 1878. British fleet before the Dardanelles. Threat. 1878: The Berlin Congress.	1868: Japanese reforms.—Khiva against Russia (73).—Fiji Islands against Britain (73).—Uprising in *Yünnan* (China) and *Achin* (73).—*Japan* against Formosa (74).—Uprising in Satsuma (Japan) (77).—Transvaal against *Britain* (77).—Afghanistan against Britain (78).—
1880-1891	Chile, Peru and Bolivia at war (80).—Germany takes Samoa (80).—France takes Tunisia (81). Even now 90,000 Italians and 35,000 Frenchmen in Tunisia.—Transvaal fights against Britain: February 27, 1881 (1879-80).—Italy in Massawa (81). Britain occupies Egypt (82).—Italy joins	Russia takes Merv (84). Serbo-Bulgarian war (85).—Russia on verge of war with Britain (85: agreement in Panjdeh on Afghanistan). (Anglo-Russian agreement on Afghanistan signed September 10, 1885).	Germany takes Samoa (80).—Transvaal becomes independent (81).—Kuldja returned (81).—"Disorders" in Korea (84).—Congo partitioned (85).—Uganda partitioned (90).—(June 17, 1890, exchange for Heligoland) (Zanzibar for Heligoland).

* These figures show population in millions.—*Ed.*

America and Western Europe	Eastern Europe (Austria+ Balkans+Russia)	Other countries (mainly Asia and Africa)
German-Austrian alliance, *1881* (Italy joins alliance on May 20, 1882?). — War between France and China ends in the peace of August 25, 1883: France takes Tonkin. — Germany acquires colonies in Africa (84). — France against China (84). — Britain against Egypt (84). — February 26, 1884: British treaty with Portugal: partition of Central Africa. — British agreement with Transvaal (84). — Britain takes Bechuanaland (84). — Partition of the Congo (85). — Berlin Congress on the Congo, November 15, 1884 (to February 26, 1885): the Congo partitioned. — Britain takes Burma (85). — 1885: gold discovered in Transvaal. — Britain on verge of war with Russia (85). — 1885: France's war against China and French defeats (March 30, 1885, fall of Ferry on this account). — Brazil a republic (89). — Britain and Germany on Uganda (90). — British ultimatum to Portugal (1890): Britain robs Portugal in	First Russian loan in France (500 million francs) December 1888. — Franco-Russian alliance (August 22, 1891?) (signed August 22, 1891). (Military agreement: end of June 1892.)	1868: Japanese reforms. — Khiva against Russia (73). — Fiji Islands against Britain

	Africa. Treaty between Britain and Portugal: June 11, 1891. — Franco-Russian alliance (1891).		
1892-1898	Revolution in Chile (92). — British agreement (?) on the Pamirs (92). France takes part of Siam (93). Britain at war with the Matabeles (93). — Partition of part of China. (95: Shimonoseki). France against Madagascar (95) (1894-1895). — Abyssinia against Italy (96). Britain against Egypt (96). — Germany seizes Kiao-chow (97). Spanish-American war for Cuba (98). Britain on verge of war with France (98). November 4, 1898, evacuation of Fashoda	Russian agreement (?) on the Pamirs (92). Partition of part of China (95). — Russian expedition in Abyssinia (96). — Greco-Turkish war (97).	Siam against Franco (93). — Matabeles against Britain (93). Sino-Japanese war (94) and the Shimonoseki treaty (95). April 17, 1895—Shimonoseki treaty. April 20, 1895—intervention of France+Germany+Russia. July 21, 1895—Peking treaty (Japan renounces victory over China...). Madagascar against France (95). — Philippines uprising (96). — Abyssinia against Italy (96). March 6, 1898—cession of Kiao-chow. March 27, 1898—cession of Port Arthur. April 11, 1898—cession of Kwang-chow-wan to France. ?— cession of Wei-hai-wei to Britain.
1899-1904	March 21, 1899: Britain and France divide up Africa. — Britain's war against the Boers (99). — United States' war against the Philippines (99). War against	Russia's secret treaty with Tibet on Russian protectorate recognised by China in 1902.	Boers against Britain (99). — War in the Philippines against America (99). — China against Europe (900): Boxer wars. End

	America and Western Europe	Eastern Europe (Austria+Balkans+Russia)	Other countries (mainly Asia and Africa)
	China (900) (end of 1900-September 1901). — Anglo-Japanese treaty: January 30, 1902. End of Britain's war against the Boers (1902). — 1902: Sultan's Irade on the construction of the Baghdad railway, 1902. — United States takes Panama (903). 1903: Germany+Britain+Italy blockade Venezuela (shelled by the Germans) to extort payment of debts!! Britain against Tibet (904). Germany Against the Hereros (04). — Anglo-French agreement, April 8, 1904 (partition of Africa) (Morocco in exchange for Egypt). — — —	Russo-Japanese war (1904) (over Korea and part of China).	of Anglo-Boer War (902). — Panama and the U.S.A. (903). — Tibet against Britain (904). — The Hereros against Germany (04). — Russo-*Japanese* War (1904).
1905-1914	France on verge of war with Germany (Morocco) (1905). — Partition agreement in Algeciras (1906). — End of the Hottentot war against Germany (1907). — Austria annexes Bosnia and Herzegovina (1908). 1907-08: France and Britain each take a piece of Siam and neighbouring states. Anglo-Russian treaty (1907?) on	Portsmouth Peace treaty (1905). Revolution in Russia (1905). Russo-Japanese treaty: July 30, 1907 ("status quo"). Anglo-Russian treaty of August 31, 1907 (division of Persia).... *1908*: revolution in Turkey. Uprisings in Albania and Arabia (1909). Anglo-Russian	Partition of Morocco (Algeciras) (1905). *Japan* takes Korea, etc. (1905). Hottentot war against Germany. End (1907) (three years' war). Morocco against Spain (1909). Revolution in Persia (1909?) Russo-Japanese treaty (1910).

division of Persia. — Franco-Japanese treaty, June 10, 1907. — Anglo-Russian treaty, August 31, 1907 (division of Persia)... &meeting in Reval: June 1908. May (June) 1908: meeting in Reval (June 9, 1908) of British and Russian monarchs.
Spain against Morocco (909) — 1909-10.
Autumn 1909: meeting of Italian and Russian monarchs in Racconigi (preparation for Italo-Russian alliance against Austria). — Republic in Portugal (1910) (October 1910). (Britain, France and Germany) on the verge of war over Morocco (1911). May 21, 1911: French enter Fez. — November 4, 1911: agreement between France and Germany on exchange of part of the Congo for the right to Morocco. Italy against Tripoli (1911). Revolution and counter-revolution in Mexico (1911-13).

Britain and Germany divide up the Baghdad region (Asia Minor) (1913?)

April 1913: Germany allocates 1,000 million marks for armaments.

treaty (1907) ((meeting in Reval, June 1908)). May (June) 1908: meeting of British and Russian monarchs in Reval (June 9, 1908). — Autumn 1909: meeting of Italian and Russian monarchs in Racconigi. (Preparation for Italo-Russian alliance against Austria.) Russia against Persia 1909.
Treaty of Russia and Japan (1910).
First Balkan war, 1912
Second " " 1913 (June).

Russia encroaches on Armenia (1913?) (Ultimatum to Germany? 1913?)

Uprising in Korea—*1907-09*

Japan pacifies Korea (1907-09) (909: Assassination of Governor-General Ito). Morocco partitioned (1911). Tripoli against Italy (1911). Revolution in China (1911-12). Russia against Persia (1909).

Beginning of 1909: Russians enter Azerbaijan.

International crises:

1779?
1789-1871
1877-78 Russia against Turkey
1885 Russia against Britain
1895 Russia+Germany+France against Japan
1898 Britain against France
1904-05 Russia against Japan
1905 France against Germany
1911 France (France+Britain) against Germany

1872- 79 ("Triple" Alliance)
1879-1891 (Franco-Russian alliance)
1891-1898 (up to Fashoda)
1898-1904 (up to Russo-Japanese war)
1904-1914 (up to World War)
1914

Landmarks of diplomatic history:
1879: alliance of Germany and Austria (1881+Italy).
1891: Franco-Russian alliance.
1898: Fashoda
1904: Anglo-French agreement.
1907: Anglo-Russian, Russo-Japanese, Franco-Japanese agreements.

Speaking of the abolition of slavery and of European congresses on the subject (—1890—several! p. 132), the author points out that the United States abolished slavery, "but ever since then more and more Negroes in the southern States have been forced back into a state of feudal dependence, so that in many places they have as good as lost the right to vote" (132).

> "It seems to me that people pretty well always have the same amount of freedom.... Europe has now abolished slavery, but a sailor on a European ship would be despised by a Swahili slave for his low, exhausting labour; and what are many men and women workers in the big cities but serfs obedient to every gesture of their master?... The audacity of an Aristophanes

is unheard-of today, and in our time Luther would be prosecuted a hundred times a day for insulting the church and bringing it into contempt, incitement to class hatred, and lèse-majesté. Such is the case also as regards slavery" (133). | not bad!

In a small chapter on Ireland, the author says: "Pressure evokes counter-pressure, but mildness is interpreted as capitulation and weakness. What then should be done? I think that everything depends on the specific nature of the weaker people one wants to win over. The Albanians will never be made to submit by coercion. In Alsace-Lorraine, too, a conciliatory policy was the correct one.... The British exterminated the Tasmanians to the last man. But the Irish are not Tasmanians! They can't simply be exterminated" (133). | N.B.

The 1880s: Irish rising—martial law—Parnell, etc.

"Soon after Shimonoseki, Japanese writers were comparing the war against China with Prussia's war against Austria" (187), then would come an alliance against Europe. This view was especially sharply expressed by Prince *Konoye*, president of the Japanese Upper Chamber. | *N.B.* on an appraisal of 1894-95 war

p. 299: "the imperialist era" (now)—and, passim. ((E.g. p. 5, in the first passage of the book.)) | N.B.

"Stagnation of the German Empire" (p. 306 et seq.). 1899-1911 no acquisitions.

(p. 309) *Germany*— 541,000 sq. km. in 1870
3,200,000 " " " 1903
France— 536,000 " " " overseas
6,600,000

railway construction *in Asia*:
Germany: 1,100 km. (1884-1904)
Russia: 13,900 km. (1886-1904) *!!* (p. 311)

One of the "problems" of Africa (South): the Negroes multiply much more rapidly than the whites.

sic!! | "Many settlers positively want an uprising in order to check the dangerous growth of the Kaffir population and deprive it of its rights and landownership" (385)

chapter on "Changes in Africa".

p. 396: European possessions in Africa (Hänsch: *Geographische Zeitschrift*, 1912):

	1890		1912
Great Britain	2.1	mill. sq. km.	8.8
Germany	2.1		2.4
Belgian Congo	2.1		2.4
France	1.8		9.2
Portugal	1.8		2.1

well said! | "Carlyle says that already in the eighteenth century it was 'the job' of continental states to fight Britain's wars for her" (408).

N.B. | "The whole world is now involved in one or other system of alliances, taking part in one of the two great concerns which lay claim to possession of the world: the Triple Alliance reinforced by Rumania, or the group led by Great Britain. America alone still remains aloof. Things there are taking such a remarkable turn that both the above-mentioned concerns, which confront each other with such hostility in the entire Old World, stand united in supporting South America against North America" (411).

The population of *Persia* is far from nationally homogeneous: Persians, Kurds (2 million), Bakhtiari; Arabs; Baluchis; Armenians, Jews, Turks (1½ million) **and many others** (416).

The population of Turkey (1909): Turks—9 million; Arabs—7 million; Greeks—2½-3; Albanians—2½; Kurds 1½; Armenians—1¼; Bulgarians—1; Levantines—1; Serbs—¾; Jews—⅔; Wallachians—0.5; Berbers and Negroes in Tripoli—0.7; others—1. Total=29 million (p. 422)....

"The most important event in Persia's recent development, which is becoming ever more confused, was certainly the big loan issued jointly by Great Britain and Russia. It is the biggest in the history of Persia: 70,000,000 marks. ***A typical business deal of modern imperialism.*** Exactly the same thing was done in Morocco. A country excites the covetousness of some modern powerful state. The country—it might be Cuba, or Liberia, or Iran—finds itself in difficulties; disorders occur, which, however, could be settled if there were no outside interference. The foreign power does not allow the wounds to heal; it intensifies existing disorders and provokes new ones. It happens that a provocateur is killed—for example, Dr. Mauchamp in Marrakech or North American filibusters in Nicaragua—or the police in Tabriz are blamed for the disappearance of a Russian soldier who has deserted (and is found some days later in a distant maize field). In the search for the deserter, houses are broken into, even the harem of the high priest. Embitterment naturally arises against the foreign instigators of the disorders. Popular passions reach explosion point, there are atrocities. In reprisal, the foreign power sends in troops and at the same time presents the invaded country with a bill for the cost of the invasion. The country cannot pay it. What is to be done? With a friendly smile, the invading power announces it is prepared to help its dear friend out of this little difficulty and offers a loan. The interest is, of course, not so very low, for the security offered is very unreliable. Caught in the usurer's claws, the country can no longer escape its fate—it is to be civilised by the invading friendly power" (p. 443). N.B.

That was written by a bourgeois writer! N.B.

"Italian imperialism is manifested not only in conquests, but in a growing feeling of mutual guarantee, in pan-Italianism. An all-Italian rally was held in Rome as early as October 1908, and another in 1912 in Forli".... Italo-

Americans, etc. ... "there are six million Italian subjects abroad"... (476).

very typical!! "Even now, Albania is less known than the greater part of Central Africa" (50).

N.B. "In earlier overseas expansion, there was always a margin of elbow-room left, all Western nations had adequate place for development in their respective 'New Europes' and rivalry gave rise only to fruitful competition. But now North America will not hear of more immigrants, Australia is already closing its doors, Siberia is open only to citizens of one particular country, while South Africa is revealing, with horrible clarity, the grim fact that emigration can no longer help, as it has hitherto, to obtain a

N.B. place in a world, which has shrunk; one European will have to strangle another. There

N.B. is still plenty of land even now, but the former small states have become big powers, and the former big powers have become world powers and must already look about for adequate space for their future populations. The Yankees will not allow us a single acre of Brazil, and the French envy the Italians' possession of the barren wastes of Tripoli. The harder struggle for existence aggravates hostility among the Europeans and

N.B. leads to attempts at mutual annihilation. That, in its turn, is to the advantage of the East" (215).

Chapter: "The War over Cuba":

"The Yankees started out by preaching the equality of all men and aspiring for an ideal state full of peaceful, complacent happiness. They are ending with the conviction that men are incorrigibly unequal, and with a policy of conquest by force. They began with freedom in everything, freedom of trade and intercourse, toleration of other religions, races and states. They have arrived at the steepest protective tariffs, growing hostility to Roman Catholics and outright aggressiveness towards foreign

races and states. First they prohibited the immigration of Chinese and deprived them of citizenship, then, factually, though not juridically, abolished the rights of the Negroes, the very people for whom they have so uselessly and foolishly fought the great Civil War, and, finally, by all kinds of petty methods they have restricted the influx of those same white immigrants whom they previously so passionately desired. United States world policy is attended by an increasingly intensive policy of self-isolation. Only dictatorship is lacking to crown this progressive exclusiveness and centralisation" (252).... # N.B. N.B. ha-ha!!

Idem, p. 345: "At bottom, the war (the Civil War) had no meaning, for the Negro, on whose behalf it. was waged, is now again well on the way to being deprived of all rights." N.B.

The sharpening friction between Germany and the United States (Samoa (*)), Germany and Great Britain, Great Britain and France (Fashoda), the growth of armaments.... "The catchword used to denote all this general mood of aggressiveness was 'imperialism'" (253).

(*) Cf. p. 269: "From March to May 1899, the Germans and Samoans were engaged in an open fight against the British and Americans at Apia."

Chapter: "The Pacific Ocean and Australia":

"When Great Britain decided to allow her North American possessions to unite in the Dominion of Canada, the majority of the British people vehemently opposed continuation of such a risky policy. In particular, they believed there was a great danger that Australia would follow suit. Often enough one could hear the opinion expressed that the creation of such colonial allied states as Canada would be merely the prelude to separation from the Mother-

land. Today the emergence of an Australian Commonwealth is regarded in Britain as a triumph of colonial policy, and Chamberlain, the Colonial Secretary, is praised to the skies as the enlarger and strengthener of the Empire! Nothing has contributed more to this than Britain's experience in the South African war. Instead of utilising Britain's difficulties in their own interests, instead of seeking to loosen their ties with Britain, as pessimists had predicted, all the colonies without exception most warmly supported Great Britain in her struggle. They displayed not merely patriotism, but a degree of chauvinism that removed all doubt about the correctness of decades of liberal colonial policy. Australia headed the colonies that contributed troops to help the mother country. Her sacrifices should be appraised the more highly since all the Australian colonies were in severe financial difficulties. Britain's swift approval of the Union concluded between them is a recognition of their patriotism and testifies to the mother country's faith in their loyalty" (271).

N.B.

?
India?

N.B.: a union of the privileged, of participants in monopoly, in Australia—the monopoly owners of a vast territory—for jointly plundering the "yellows" and "blacks", etc.

A. von Peez, *Great Britain and the Continent*, 1910.

? Roloff, *European Historical Calendar* ... [i.e., Schulthess's]

?? Zimmermann, *World Politics*, 1901.

The "*d o u b l e - i n s u r a n c e*" treaty (when? arose in *1884*; renewed in *1887* until *1890*). Germany+Russia pledged themselves to benevolent neutrality in the event of an attack by a third power. By whom? Great Britain or Austria!! (A secret German move against Austria.)

On the history of the Franco-Russian alliance: Boulangerism 1886-89: January 7, 1886—Boulanger becomes a member of the government. April 4, 1889—accused of high treason, Boulanger flees to Brussels (September 30, 1891—Boulanger commits suicide).

Incidentally: *Wirth* gives figures on the results of the policy towards the *Poles* in Prussia: 1890-1910 German population in Prussia+29.37 per cent, Polish population +23.48 per cent (p. 101). Hundreds of millions of marks for "settling" the area!!

Literature:

Schmitz, *The Art of Politics*, 1912, Berlin.
Descamps, *New Africa*.

N.B. Leopold (Belgium)—business manipulator, financier, swindler; bought the Congo for himself and "developed" it. Slick operator!![43]

Warneck, *History of the Evangelical Missions*. (The role of the Missions in colonial plunder.)

Wirth, p. 85: Mission activity "almost doubled" in 1880-1900.

YOUNG EGYPT CONGRESS

N.B. National movement in *Egypt*

Concerning the history of the national movement in **Egypt**:
Europäischer Geschichtskalender (Schulthess's), 1909, p. 605.
(student movement, national ferment, etc., etc.).

September 13, 1909. Young Egypt Congress in Geneva (about 100 attending). Keir *Hardie* promised to defend their cause in the House of Commons, "the Irish M.P. *Kettle* recalled the fraternal unity of Egypt and Ireland".

N.B. *Fraternity* with Ireland

TARDIEU, *FRANCE AND THE ALLIANCES*

André *Tardieu* (honorary first secretary of the Embassy). *France and the Alliances. The Struggle for Equilibrium*, Paris, 1909. ((Very useful book!))

when? N.B. where? ‖ On p. 17 the author recalls: "M. Jaurès in his sacrilegious [!!] letter on 'the Triple Alliance, a necessary counterbalance to Franco-Russian chauvinism', was the only person who in defiance of history and geography, did not recognise this obvious truth" (the necessity of the Franco-Russian alliance).

sic! ‖ "M. Jaurès himself—who since then, it is true, has changed his mind" (when? where?), "declared on January 23, 1903, that he had no objection in principle to the alliance with Russia" (p. 29)....

Wars of England against France for domination: 1688-97; 1701-11; 1742-48; 1754-63; 1778-83; 1793-1815 (p. 41).

Germany against England:
treaty of June 14, 1890
" of November 15, 1893 } division of Africa.

!! ‖ The secret treaty of 1898, "the conditions of which were little known, disposed of the future of the Portuguese colonies" (52).

Italy laid claim to North Africa long ago (Mazzini in 1838! p. *95*). Bismarck wrote about this to Mazzini in 1866. Hatred over Tunisia (1881) impelled Italy towards Germany.

Setbacks in Abyssinia and financial crisis caused her to turn away from Germany. In 1900 the French banks "saved the Rome market" (101) [1]).

"The German economic crisis made it necessary for Italy to seek political rapprochement with France" (102) [1]). "The German money market was not in a position to act as the banker of Italy" (102) [1])....

December 1900: exchange of amicable notes between France and Italy.

N.B. dates 1882-1900: Italy the ally of Germany: p. 105.

"What would have happened if Italy's attitude towards us in 1905 had been the same as in 1889?" (109)....

Spain ... the "aid" of "French capital" (113)....

October 6, 1904, agreement between France and Spain (division of Morocco)....

The struggle between France and Germany (after 1870) was "on the one hand, a struggle for equilibrium and, on the other, a struggle for supremacy" (344)....

Mentioned, where? *Crispi* was formerly a "red" and has been zealously living this down!!

The author—Tardieu—is himself a diplomat, an expert! Many indications of the part played by finance. His survey of events is complete, good. Useful and necessary as a history of diplomacy from the *French* point of view.

Literature:
Rouire, *Anglo-Russian Rivalry in Asia*.
De Caix, *Fashoda*.

[1]) G. M. Fiamingo, *The Financial Reasons for Franco-Italian Friendship*.
A. Billot (our ex-ambassador in Rome), *France and Italy*.
Luigi Ghiala (or Chiala?), *Pages from Contemporary History*.
Victor Bérard, *The Moroccan Incident*.
René Pinon, *The Mediterranean Empire*.

MÉVIL, *FROM THE FRANKFURT PEACE TO THE ALGECIRAS CONFERENCE*

André *Mévil*, *From the Frankfurt Peace to the Algeciras Conference*, Paris, 1909. Scanned through; weaker, more fragmentary, more superficial, narrower in scope than the former (Tardieu), who is a historian and diplomat; Mévil is a pamphleteer.

More correctly, only a *sketch* of events *round about* 1905 [much narrower in scope].

POLITICAL HANDBOOK

Political Handbook, by *Laband* and others.
Vol. I. *Political Foundations*. (General, parliamentarism, etc.)
{ Vol. II. *Political Tasks*, *1912*. Survey of political problems: parties, colonies, ***foreign policy*** (N.B.) etc., etc. }
N.B. |||| Very useful brief survey, written by specialists, with literature references.

N.B.	the Polish question in Germany
"expansion	the foreign policy of all countries
of Germany"	the school question
"political aims	Bernstein's article on revisionism
of modern powers"	in Social-Democracy, etc.

GERMANY AND THE WORLD WAR

Germany and the World War.
(A collection of articles: 686 pp.). *Berlin*, *1915*.
(Published by O. Hintze, Fr. Meinecke and others.)
N.B. ||| Professor Dr. *Hans Uebersberger* (Vienna). "Russia and Pan-Slavism"—a useful sketch of Russian diplomacy, lists a number of sources....

Martens, "A Collection of Treaties", 15, p. 237 (Chancellor Nesselrode's letter to Kiselyov, Minister in Paris, August 30, *1848*, on a Franco-Russian rapprochement against Germany).

Barsukov, "Life of Pogodin", 5, p. 330 et seq.; 9, p. 262 (Pogodin's Memorandum, in *1840*, on "liberation" of the Austrian Slavs).

Tyutchev. In a memorandum "Russia and Revolution" (for Alexander II)—"Bohemia will be free when Galicia is Russian" (*Russky Arkhiv*, 1873, p. 926 et seq.).

Memorandum of 1864. "Modern Politics" (drawn up on the instructions of Gorchakov); the Austrian Slavs must look to Russia to free them: (Eckhardt) "Secret Russian Memorandum, 1864" in *Deutsche Rundschau*, VI, 11, p. 209 et seq.

Moscow Slav Charitable Society. Its policy.

Danilevsky, "Russia and Europe": articles in *Zarya*, 1869-70, and a book: 1st edition in 1871.

Danilevsky argued that France's defeat would be to Russia's advantage, for it would foster dissension and enmity between France and Germany and *favour* Russian domination (appeared in *Zarya*, January 1871; reprinted in *Danilevsky's Collection of Economic and Political Articles*, St. Petersburg, 1890, pp. 27 and 29).

Fadeyev, *The Eastern Question—an Opinion*, St. Petersburg, 1870.

P. A. Saburov's Memorandum, *Russky Arkhiv*, 1912, 1, p. 470 (("the success of Prussian arms, 1870, is also a victory for us". Sic!!!)).

Ivan Sergeyevich *Aksakov*: speech of July 4, 1878 (against Russian diplomacy and, indirectly, against the tsar: dissatisfaction with the Berlin Congress).

Pokrovsky, "Russian Foreign Policy" in *History of Russia in the Nineteenth Century*, 9, p. 204 et seq. (and p. 174) (Russia's claims on Bulgaria and her railways in 1877).

"Neo-Slavism" in 1908 and thereabouts.

cf. *Vestnik Yevropy*, 1909, No. 1, p. *386*.

May 1908: a Czech (Member of Parliament), a liberal Slovene and a Russophile Ruthenian, visit Russia (St. Petersburg).

Dmowski, *Germany*, *Russia and the Polish Question* (a plan to "reconcile" the Poles with Russia at the cost of oppressing the Ukrainians).

P. Struve, "Patriotica", p. *213* (*The Slav Days*).

Moskovsky Yezhenedelnik, 1910, No. 27, column 4.

Yevgeny Trubetskoi against Menshikov, for rapprochement with the Poles.

Goryainov (director of archives at the Ministry of Foreign Affairs): *Bosporus and the Dardanelles*, *1907*.

G. Trubetskoi, *Russia as a Great Power*, p. 122 (for the time being, Italy is more useful in the enemy camp!!!)

Gr. Yevreinov (Senator), *Ideology of the Near-Eastern Question*, St. Petersburg, 1911.

Slavyanskiye Izvestia, 1913, No. 8 (January 6 (19), 1913); 1912, No. 45 (November 10 (23), 1912).

N.B. *Novoye Zveno*, *1914*, No. *13*, p. 407 (March 28, 1914)—Bryanchaninov, three months before Sarayevo, predicts a European war within 1½-2 months.

FRANKE, "THE GREAT POWERS IN EASTERN ASIA"

This article by Otto Franke, "The Great Powers in Eastern Asia", is included in the same volume.

A useful summary of the facts (partly with source references) about how China was robbed by Britain and France (Annam by France, Burma by Britain, Tibet by Britain, Siam by France and Britain—all former parts of China or areas dependent on her).

N.B. 1898: negotiations for an Anglo-German-Japanese alliance against Russia

p. *442*: "...The Japanese ambassador, Count Hayashi, reveals in his notes, the publication of which, unfortunately, was stopped by the Tokyo Government, that on the initiative of Joseph Chamberlain, negotiations were conducted in London in 1898 with Japan for an Anglo-Japanese-German triple alliance as a barrier to Russia's continued penetration into Eastern Asia. This coincided with confidential British overtures to Berlin on an Anglo-German alliance.

They did not strike a bargain!!

These were without result, if only because Great Britain had nothing to offer or propose to Germany other than the honour of taking the field against Russia. Japan, however, did not hesitate; she was ready to enter into such an alliance with Germany".... (442-43).

July 1910 (p. 456) treaty between Russia and Japan: Japan is given a free hand

in Korea. [Some weeks after she annexes Korea.]
—Russia in *Mongolia* (Russo-Chinese treaty concluded in the spring of 1911). N.B.

September 17, 1914: Russia concludes a treaty with "independent" Mongolia (establishing factual Russian protectorate) N.B.

1911: Anglo-Japanese treaty (replacing the old one)—Britain will remain neutral in the event of war between Japan and America (Japan *probably* given a "free hand" against Germany).

ONCKEN, "PRE-HISTORY OF THE WAR"

Ibidem Hermann *Oncken*, "Pre-History of the War".
pp. *475-77*: In 1898 Britain and Germany were negotiating an alliance against Russia (*The Saturday Review* threatened that the people would settle accounts with the dynasty if it allied itself with Germany!!). No agreement was reached: Britain said: "Germany demands too much" (477). This, author claims, is not true, Berlin made no demands (?!!?). A treaty was concluded *only* in October 1898, and it ' envisaged German and British economic penetration into the Portuguese colonies in the event of Portugal not fulfilling her obligations in regard to loan payments" (477). N.B. gem!

In October 1898 Great Britain and Germany were *dividing* Portugal's colonies. B

ADLER, *IMPERIALIST SOCIAL POLICY*

Georg Adler, ***Imperialist Social Policy***.—*Disraeli, Napoleon III, Bismarck*. A survey. Tübingen, 1897 (44 pp.). (Preface dated March 1897.)
((A reprint of articles from the magazine *Die Zukunft*)).

An instructive little book! After a short introduction on Chartism (phrases about "Chiliastic expectations" (2), about "illusions" (2) and their role in "mass movements", etc.), Adler devotes a brief chapter to Carlyle and his "social-aristocratic doctrine" (criticism of capitalism, hatred of democracy, "appeal for feudalisation of modern economic activity" (11), "the idea of a social aristocracy"). Then Chapter III: "Disraeli's Social Policy." A Jew, an adventurer, Disraeli began as a Radical, defected to the Tories, was heavily in debt, was laughed at on his maiden speech in Parliament (1838), but became Tory leader and Prime Minister in 1868. He propagated the ideas of the monarchy + a social aristocracy (in reality was playing on the struggle between the bourgeoisie and the proletariat). The electoral reform of 1867 (Carlyle furiously attacked it in his pamphlet: *Shooting Niagara*: *and After?*), small concessions and advances to the labour movement, which had lost its revolutionary character, brilliant foreign and colonial policy in 1874-80. Overall result = "an imperial-socialist" (p. 22)—and *passim* "imperial-socialist policy", etc.

!!

For example: "*Imperial-socialism*" and other things, p. 44, p. 43, p. 35.

Chapter IV, on Napoleon III. He too was an adventurer, a dreamer. The author of "The Extinction of Pauperism" (1844). Brilliant economic development,—brilliant foreign policy,—a furious struggle against **political** workers' organisations while *encouraging economic* organisations ((p. 32)),—mutual aid societies (flirting with *all* classes). **Lexis** in his book on "French **trade unions**" admits the undoubted improvement of the French workers' position during 1850-70 and a measure of success of Napoleon III's policy: "discipline and supervision of the workers, on the one hand, improvement of their material conditions, on the other—in his domestic policy Louis Napoleon never deviated from that idea" (Lexis quoted by Adler, p. 34).

Chapter V. "Bismarck's Social Policy."

Being a country of "schools and barracks", Prussia naturally became a model of "imperialist social policy" (36): Bismarck's campaign against free thought, his flirting with the workers, universal suffrage (to set the bourgeoisie and the proletariat at loggerheads), social legislation... social insurance (Adler extols it).

In conclusion (p. 43), Adler says that this "must not" (!!ha-ha!!) be compared with the Caesarism of declining Rome, for support is given to people who work, not to good-for-nothing plebeians. *Proudhon*, he says, wrote (where?) (a quotation from *Proudhon*: "We do not receive a penny from abroad", p. 43) that (Roman) Caesarism lived by plundering foreign nations, but this does not apply here. !!

..."Imperial-socialism ... in its enduring traits ... was, objectively, a great step forward towards integrating the proletariat in modern society and its practical collaboration in the latter's cultural tasks" (44). ((The roots of social-chauvinism!!))—hence "imperial-socialism" was "an illusion of world-historical importance", for it was useful, although it did not reconcile the proletariat, the enemy of Disraeli, Napoleon III and Bismarck.

Cf. Engels on Napoleon III versus Bismarck

"Bonapartism"

((End of Adler's pamphlet)).

SIEGFRIED, *NEW ZEALAND*

André Siegfried, *New Zealan*d, Berlin, 1909.

(**N.B.** Chapter 28: "Imperialism.")

A very useful outline of a *broad* economic and political scope. The distinctive feature of "imperialism": exclusiveness. *The yellow race is completely barred from entering the country*. **Savage** restrictions [e.g., £100!!!—p. 190] on immigration in general. A country at the edge of the world (*four* days to Australia!). Almost N.B.

as big as Italy, but with a population of less than one million!!! (*900,000*—p. 189; 929,000 in 1907, p. 234; half of France) ((magnificent climate, etc.)).

"Snobbishness" of the population (Chapter XXI): servility towards the aristocracy ("Sir" is a title of honour, before which they crawl), the British monarchy, the Court, etc., etc. Population growth is *very low*.

A country of inveterate, backwoods, thick-headed, egotistic philistines, who have brought their "**civilisation**" with them from England and keep it to themselves like a dog in the manger. (Exterminated the natives—the Maoris—by fire and sword; a series of wars.)

Example: persecution of the *Austrian* (N.B.) workers who emigrated to New Zealand (1893, 1898-) (p. 191): the "Labour Party" attacked them.

Equal rights for women.—Campaign against alcoholism.—Clericalism: intense religiosity; numerous sects.

Opposed to union with Australia: we are for ourselves. We are "the best country in, the world" (293) (!!)....

N.B. "New Zealand imperialism" (p. 294).... Its "special form" (ibidem) ... "colonial jingoism" (295 idem 296), which might be described as "Australasian imperialism" (295).

Two trends of imperialism (fully compatible):

1) Great-Power imperialism (participation in the imperialism of Great Britain).

N.B. "*local imperialism*"

2) "**Local imperialism**" (295)—its isolationism ... exclusiveness. N.B.

Protests against the French presence in New Caledonia—against the German occupation of Samoa (297), etc. This leads to irreconcilable hostility because of the "Greater New Zealand" idea....

In June 1901 New Zealand annexed the Cook Archipelago.

New Zealand is Great Britain's most "faithful", loyal colony.

The national debt: £51,200,000 (out of £66,500,000)—British capital

Trade—66 per cent with Britain

Arch-patriots in the Boer war (307) ...(sent troops against the Boers)....

Prime Minister Seddon—a representative of Australasian imperialism. "An imperialist of the first water" (310) ... (he died June 10, 1906. Was Prime Minister (1893-1906) (p. 71))

His first trip to Britain—1897
" second " " " —1902

"The champion of *social policy* in him [Seddon] began to yield pride of place to the *imperialist* and *protectionist* statesman" (311). Although a reformer (favoured reforms in New Zealand)—in Britain he made up to the *Tories*. The Conservatives lavished praise on the "socialist Seddon" (311). *The Times*, June 18, 1902, praised Seddon, the radical, the democrat, the imperialist!! (quotation p. 311).

N.B. social policy + imperialism!

N.B.

Growth of the idea and practice of preferential tariffs....

Their "socialism": "The New Zealanders are practical and opportunist to the point of cynicism" (67)———and the workers too (67), they are wholly "conservative", they have something to "guard" (ibidem).

N.B.

(Seddon—a representative of the "labour group in the Liberal Party" (68)).

Labour protection legislation—factory inspection—and of work in the home—a 48-hour working week (law of 1901) for men, 45 hours for women—minimum wage, etc.

Compulsory arbitration, etc.

The "key to all this is protectionism (140) and industrial *prosperity*.... ((It could not be maintained under free trade).... Old-age pensions (at 65)....

N.B.: the imperialist bourgeoisie is buying the workers by social reforms

Creation of **small** landownership; large estates (stolen, etc., in the basest fashion from the Maoris, etc.) bought out and sold to smallholders—that is "*democracy*, but not *socialism*" (175). ((True!))

"Converting big landownership into small! That is what the French revolution did, too" (175)....

HOETZSCH, *RUSSIAN TURKESTAN*

Otto Hoetzsch, *Russian Turkestan and Present Trends in Russian Colonial Policy... (Schmoller's Jahrbuch*, 37th year, 1913, No. 2).

((The author knows Russian, has been to Turkestan N.B. and has made a thorough study of the relevant literature.))

N.B. || *Russia* consumes about eleven million poods of cotton (100 million rubles) from Turkestan (+Khiva+Bukhara), and about 11-12 million from America.

Turkestan = 1.5 million square versts (1 sq. verst = 1.13 sq. km.)
Khiva = 0.05
Bukhara = 0.2

Σ = 1.75 (nearly four times the size of Germany). The population [of Turkestan] = 5.3 million (1897) and 6.7 million (1910).

The population is an "Indo-Iranian" mixture, mostly "Turco-Mongolian".

Branches of the big Russian banks are to be found everywhere....

..."there is lively and constantly expanding colonial-economic activity"... (p. 388).

Islam prevails. *Complete* freedom of religion. *Pan-Islamism*:

N.B. || ..."Pan-Islamic agitation among the Moslem Sarts and Kirghiz, which hitherto have been tranquil in this respect, has been introduced by the Moslem Tatars coming from the North, the Volga area (Nogaitsy) and Western Siberia. These Tatar intellectuals belong to the literary and political elite of present-day Islam, and are among its most energetic and influential adherents. And it is primarily to them that Islam owes its great internal and external strengthening and its cultural growth. In *1880*, Russia's

Pan-Islamism in Russia

1880

Moslem population was estimated at 11 million; their printed literature was confined to 7 or 8 books, and they had one printing-press; there were four leaders and twelve persons with higher education, including one who had studied in Western Europe. In *1910* there were already 20 million; they had over 1,000 printed books, 14 printing-presses and 16 periodical publications; 200 persons had received higher education in Russia and 20—in Western Europe, there were about 100 writers, six higher and 5,000 lower schools, 37 charitable institutions, three small banks and three village banks.[1]) This great "Moslem" movement, which embraced also such ethnic groups as the Votyaks, the Cheremisy, the Chuvashi, has been described in a study...[2]), dealing especially with schools and education. Russia's Moslem population has undergone considerable cultural development in the past 10 years: there is a mosque and a mullah to every 150 Kazan Tatars compared with 1 priest to 1,500 of the Russian and non-Russian population of the area; the Tatars have *one school* to every *hundred* of the population; the Orthodox Christians—one to *1,500-3,000*. Book and newspaper circulation among the Tatar Moslems is, proportionally, still greater.

and

1910

1880 and *1910*
12-200 with higher education,
1-14 printing presses,
0-16 periodical publications
8-1,000 books
N.B.

!!!

1:100
1:2,000

[1]) *Ostroumov*, *The World of Islam*, Tashkent, *1912*.
By the same author, *The Sarts*, Tashkent, 1908, also The Koran and Progress, Tashkent, 1903.

N.B.

[2]) *Bishop Andrei and N. V. Nikolsky*, *Basic Statistics of the Non-Russians of Eastern Russia*, Kazan, 1912.

N.B. drawing closer to the Moslems of India and China

"unrest"... "from the North"

While this cultural superiority and vitality lead to easier assimilation of the non-Russians, both Christian and pagan, with the Moslem Tatars, the latter are greatly disquieted by the government's school policy" (Russian-language schools!) "endorsed by the Duma . They are inclined to be less submissive and to join in the agitation that has now spread to the whole Moslem world, and are ready *to seek support among the Moslems of China and India*. Contact with the Turkestan Moslems comes as a matter of course; in fact *pan-Islamic unrest* is already being brought in *from the North*. The Russian Government fears this penetration of Tatar Moslems and has tried to keep them out of Turkestan. True, Russia's school policy in Turkestan is by no means discriminatory" ... freedom of religion and native schools.... The Sarts are eager to learn Russian: "the natives readily attend Russian-language schools".... "Economic realities are making the importance of the Russian language as the general commercial and official language increasingly clear to the practical Sart." A "very gradual" "cultural Russification" is taking place (406-09)....

On *irrigation*, p. 362 in No. 3: in the Transcaspian region + Syr-Darya + Samarkand + Ferghana, there are 2¼ million dessiatines of irrigated land, of which 1.0 million are under wheat, and 0.379 under cotton.

Hence (p. 363), out of a total land area of 159 million dessiatines, 156¾ are dry and barren; only 2¼ are irrigated.

Literature:
N.B.: Count York von Wartenburg, *Russian Penetration in Asia*, Berlin, 1900.
H. Vambéry, *Russian Power in Asia*, Leipzig, 1871.
Curzon, *Russia in Central Asia*, London, 1889.
Abaza, *The Conquest of Turkestan*, St. Petersburg, 1902.

SOCIALISM IN CHINA

Die Neue Zeit, 1913-14, XXXII, 1, pp. 711-12.

Summary of an article by A. Jax. (Shanghai) in *The Socialist Review* (1913, No. 1).

The article is headed "*Reaction in China*".

Socialism in China

Author gives translations of the statutes of the Chinese socialist parties and organisations. He is struck by their "vagueness" and "pious wishes". In Chinese, socialism and society are one and the same word (Shih Hui). A number of socialists have been executed. A worker, Wen, (from Shanghai) (executed) founded the "Workers' **Party of the Chinese Republic**". Early in 1913 it carried out a successful three-day strike of Shanghai silversmiths. Its programme is extremely unclear.

There was also a "Chinese Socialist Party", as well as a "Pure (sic!) Socialist Party". Most of the leaders have been executed. Yüan Shih-kai crushed these parties.

NAHAS, *THE ECONOMIC AND SOCIAL POSITION OF THE EGYPTIAN FELLAH*

Joseph **F. Nahas**. *The Economic and Social Position of the Egyptian Fellah*.
(Thesis.) Paris 1901

Egyptian *fellahs*

Amateurish. Contains *literature* references. A description (all too brief) of the desperate poverty of the fellahs, who live in clay huts,

without furniture, *together with livestock*, and toil from morning to night. Downtroddenness, ignorance—as in Russia.

His approach is extremely typical: *liberal-Narodnik*, just as in Russia during the years 1880-1900!!

p. 38, note. Britain stifles industry!!!

DIE NEUE ZEIT, XXX, 1

KAUTSKY, "MASS ACTION"

Die Neue Zeit, XXX, 1 (1912).

N.B.: p. 45 (Karl Kautsky). The masses = 30 million. One-tenth are organised. *N.B.*

LINK, "ARE SAVINGS BANKS CHARITABLE INSTITUTIONS?"

p. 60. Savings banks: 25 per cent of savings accounts = 87 per cent of total deposits. (Prussia, 1909.) (Deposits > 600 Mk)

POPULATION ESTIMATES

	Number of countries	Population million—approx.)	Of which dependencies	Of which colonies: *number*	Of which colonies: population (*mill.*)
(α) Western Europe	15	220	(10-15)	2	0.2
America	23	145	(none?)	7	13.5 (?)
Σ	38	365	(10-15)	9	14 (?)
(β) Eastern Europe and *its* part of Asia	12	215	(90-100?)	5	25 (?)
(γ) Rest of Asia, Africa and Australia	64 (?)	870	semi-dependencies about 300?	60	480 (?)
Σ	114 (?)	1,450	100-115	74	519

	Sq. km. (mill.)	Population (mill.)
Japan	0.4	46.5
China	3.9	319.5
	+7.3	10.6
Afghanistan	0.6	4.5
Persia	1.6	9.0
(4)		390.1
		+480
	0.2	870
	7.9	
	0.04	
	0.4	colonies
	0.14	498.5
	8.6	—17.3
	17.3	481.2

	Population (mill.)	Dependencies	Colonies
α)	400	<5%	< 5%
β)	250	40-50%	10%
γ)	900		>50%
	1,550		

about 480 million
? 60-100 (?)

	Total	Population (mill.) of which dependencies	colonies	
α	400	20 +	20 = 40	10%
β	250	100 +	25 = 125	50%
γ	900	— +	500 = 500	60%
	1,550	120 +	545 = 665	

	Sq. km. (mill.)	Population (mill.)	of which dependencies	colonies	Population (mill.)
Russia	5.3	106.2	about 60		
+					
+ { Khiva	0.06	0.5	24.6	(5)	
+ { Bukhara	0.2	1.5	24.6	(5)	
+ { Caucasus	0.5	9.2	24.6	(5)	
+ { Central Asia	3.5	7.7	24.6	(5)	
+ { Siberia	12.5	5.7	24.6	(5)	
Russia	22.1	130.8	(60?)	(5)	—24.6
Austria-Hungary	0.6	45.3	(about 25)	—	—
Serbia	0.05	2.5	?	—	—
Rumania	0.1	5.9	?	—	—

	Sq. km. (mill.)	Population (mill.)	of which dependencies	colonies	Population (mill.)
Bulgaria	0.1	3.7	?	—	—
Greece	0.06	2.4	?	—	—
Turkey	0.1	5.9			
+			(?)		
Asia	1.8	17.2			
	1.9	23.1	(10?)		

without Arabia? + 2.5 million sq. km., 1.9 million population

213.7	(90-100)	(5)	(25) (?)	

	Number of countries			
	independent	dependent		
α 38	29	+ 7		7
β 12	7	+ 5		+ 5
γ 64	2-4	—60-62		12

Western Europe and America:

Eastern Europe:
Austria-Hungary
Russia, Balkans and Turkey (consequently, including part of Asia):

Rest of Asia, Africa and Australia.

NOTEBOOK "ξ" ("XI")

Contents

ξ

The War and Imperialism

Great Britain (1897-1911)—£998,500,000		
	19,970	million marks
Germany	5,490	million marks
	5,500	million marks

PRESS EXCERPTS

L'Echo de Paris, October 13, 1914;

"The Junius Article", in connection with Jouhaux's conversation with Legien.

…"What a lesson—if only our trade-unionists were prepared to take advantage of it—is afforded by this conversation

of M. Jouhaux, secretary of the General Confederation of Labour, with the German socialist deputy, Herr Legien, on July 24 last, and at Brussels!—The date and place are symbolic. 'What do you intend to do to avoid war?' asked M. Jouhaux. 'Have you decided to take action? For our part, we are ready to respond.' And he adds: 'Though the questions were put several times, Legien made no reply. We left Brussels convinced that we would have to abandon our confidence in the good will of the German organisations.' What conclusion does he draw from this disappointment? I continue to quote his text: 'We shall draw up an indictment to remind everyone that the sole means of assuring firm and lasting international relations is everywhere to take identical action for peace against war.' The latest developments have shown him that such joint action is not possible. He considers that an accident and continues to cherish a utopia, the very thought of which makes one shudder. What would have happened if Herr Legien had been a less honest man and had promised his naïve questioner assistance which later would not have been forthcoming?" But let us not think of catastrophes which have not happened. And Junius goes on to lecture M. Jouhaux:

"People of the type of M. Jouhaux accept, and rightly, the existence of class, or rather occupational, interests.... But they fail to notice one thing, namely, that an occupation exists only within a country. Before belonging to a class, the worker or peasant, just like the bourgeois, belongs to a nation.... Consequently, if the workman belongs to a country before belonging to a class, the country's interest takes precedence over that of the class. The whole error of international trade unionism lies in not recognising this subordination, which is in the very nature of things. It is not a question of failure to accept class interests. It is a question of putting them in their right place.... The false dogmas of internationalism did not stand up for a single hour against the evidence of national necessity.... We only ask of them [the trade unionists] to understand the lesson of this war and, when considering their class interests, to do so in context with the national interest. Then we shall be able to reach agreement." *Junius*. (End of article.)

Volksrecht, No. 241, October 16, 1914.
W. "What the War Has Cost."
War costs:
First two months of war,
all belligerent states—*6,250* million francs.
Germany—1,800 million marks = 2,250 million francs including aid to Austria, whose finances are in a sorry state

Great Britain————	2,150	
(of which hardly one-third falls on Great Britain herself)		
	4,400	mill. francs
France————	1,040	" "
Russia 300 million rubles =	750	" "
Σ =	6,190	" "

Russia—	750
France	1,040
	1,790

6,250 — 4,400 = 1,850 — 1,040 = 810
"The next eight weeks of war will cost twice as much"....
Leroy-Beaulieu—in *l'Humanité*—estimates the cost at 1,000 million a month for each of the five big states; seven months: 5×7=35+15 small states and neutrals. Σ = 50,000 million.
Clerics on the war:
The curé *Babut* (French) drew up a *projet de déclaration* (which he sent to German priests):
"The undersigned, Christians of Germany, Great Britain, Austria, France, Russia, Belgium, and Serbia, moved and distressed by the conflict which is ravaging and ensanguining Europe, declare:
"1° Being deeply attached to their respective countries, they do not wish to do or say anything that would not be consistent with the sincere and ardent patriotism that animates them,
"2° but at the same time they cannot forget or deny that God is the God of all nations and the Father of all people, that Jesus Christ is the Saviour of all; that He commanded

his people to regard and love one another as brothers, and that for the evangelical faith, as St. Paul declares, there are no Jews and Greeks, barbarians and Scythians—and, consequently, there are no Germans and French, Austrians and Russians, but Christ is everything in all people.

"In consequence, they pledge themselves, in the sight of and with the help of God, to banish from their hearts all hate of those whom they are now compelled to call their enemies, and to do good to them if the opportunity occurs; to use all their influence to ensure that the war is waged with as much humanity as possible, that the victor, whoever he may be, does not abuse his power, and that the persons and rights of the weak shall be respected; to continue to love with a fraternal love their brothers in the faith, whatever their nationality, to pray to God on behalf of all victims of the war without exception, and insistently to implore Him soon to cause the horrors of war to be succeeded by the blessings of a just and final peace, and to make the unfortunate and cruel events which we are witnessing help the advent of His divine Kingdom."

(*Journal de Genève*, October 17, 1914.)

This letter was written on August 4, 1914. It was sent by M. *Babut*, the venerable pastor of Nimes, to Herr *Dryander*, the German court chaplain in Berlin.

Dryander replied, with a long letter, dated September 15, 1914, and signed by himself and two other clerics (Lahusen and Axenfeld)—(*Journal de Genève*, October 18, 1914):

..."we fully agree with propositions 1 and 2. They are part of the patrimony common to all Christians. Patriotism and Christianity are not mutually exclusive, on the contrary, they presuppose each other"...

the remainder, however, we accept in principle, but we cannot sign it, not wanting to give occasion, *even the most remote*, for it to be thought that Germany is not waging the war in accordance with the principles of humanity, etc. We (the letter says) did not want war, we are a peaceful people, etc., etc. The aggressors are the British and the others, etc., etc.

N.B. *Volksrecht* (1914) No. 239 ("Towards Eternal Peace") and No. 242 (Bernstein).

Frankfurter Zeitung (1914) No. 291 (second morning edition), October 20 (Scheidemann in favour of the war).

BERNHARDI, *GERMANY AND THE NEXT WAR*

Friedrich v. Bernhardi, *Germany and the Next War*, Berlin, 1913 (6th edition) (345 pp.).

The preface to the sixth edition is dated February 1913.

A typical militarist book, deploring the peace-loving spirit of the Germans, etc., etc. The author frequently quotes his **two-volume** work on modern war.

Glorification of war, its necessity ("creative and cleansing power": p. 9).... [Chapter I. "The Right to War"; Chapter II: "The Necessity of War."]

Laments Germany having shirked the issue in the Morocco incident, by giving way to France (p. 17 and others).

"Christian morality is a personal and social morality and by its very nature can never be political" (24-25).

Hatred of *Social-Democrats*: they "accept in principle lies and slander" as weapons in the party struggle (32). They "are for revolution" (73) ... (idem, 75).

Hegel, Luther were for war, etc.

..."Moreover, the Germans completely lack the revolutionary spirit, in spite of all the empty declamation of Social-Democratic instigators. Their whole nature impels them towards sound, lawful development" (80).

Germany has no such guaranteed colonies (markets) as Great Britain has (89)....

Chapter V. "World Power or Downfall"....

In 1912, Italy again joined the Triple Alliance, but is *hardly* to be counted on in the event of war (96). . . (idem, 180).

We must support Austria in her Balkan policy and try to take Tunisia for Italy (97).

Russia is shaken by revolution (100)—"the army is unreliable" (100), etc., Russia will hardly want an aggressive war against Germany (102)....

With a stagnant population (107), her expansion urge satisfied (107), etc., France offers no danger to Great Britain.

If Italy withdraws ... "the build-up of a very considerable superiority of power against Germany and Austria would become a possibility" (114)....

N.B.!! We are threatened both from land and sea (115)—we are living in a latent but great crisis (115). This has to be borne in mind, it is "obscured ... by deceptive diplomatic intrigue and the *official peace professions* of all states" (116).

We must settle accounts with France, whatever this may entail. "France must be so completely crushed that she may never get in our way again" (118)

ha-ha!! time of preparation.... Belgium ... is neutral, but France and Britain will try to combine their forces with her (123)—"in general, the concept of permanent neutrality contradicts the nature of the state" (123) ... "its supreme moral aims" (123).

..."It will take a year before the 30-cm. gun is ready" (141)....

Chapter 7: "The Character of Our Next War."

ha-ha!! The forces of the various states.... Figures.... France might have "excellent black troops" (150)....

We (with Austria) have less (?) than France+Russia, and we must aim for quality (156)....

Naval forces (according to the 1912 *Nauticus**)—the British fleet is > twice as strong as ours (170).

Russia is protected by her size (176)—she will not be fighting for existence ... the educated sections of the people are for revolution (ibidem), as in the Russo-Japanese War (177), a "unanimous national upsurge" is unlikely (177).

Switzerland, Belgium, Holland (the French and British will march through the two last-named) ... "neutrality is only a paper bulwark" (179).

Britain seeks to destroy our fleet (184 et seq. Chapter 8: "The Next Naval War").... She can paralyse our overseas

* A naval handbook.—*Ed.*

trade (186).... Harwich is being fortified (189), harbours are being built in Rosyth and Scapa Flow (191).... We must concentrate on the air fleet (195).... We must exert every effort to defeat the French navy from land (196)—"War to the Knife" (196) against France ... "to destroy France for ever as a Great Power" (196).

Only victory on land will give us a chance at sea (199).... Russia + France = 180 million inhabitants. Germany has 65 million (201).... Increase the army ... make higher demands on the soldier (205), troops of the line are more important. ...We must "attack" (206).

("Cadres", not "reserves", 210.) Quality is more important than quantity (213) ... "closed-ranks" fighting is of no use, the role of the individual soldier increases, that of his commanders decreases (214)....

Especially important to prepare for the movement (and supply) of large masses of troops, and special tasks resulting therefrom (226 et seq.). Military-technical details on this aspect....

Importance of cavalry—reconnaissance and "cover" (235)....

Necessity for "fluidity" (mobility, flexibility) of organisation (237)....

Prepare for the new, do not repeat the old (247 et seq.)....

Higher development of servicemen is needed—"lectures of a general scientific character" (267) in military academies, etc.

We (Germany) have to pursue a world policy (268, 269), and this requires sea power (Chapter 12: "Preparation for Naval Warfare")...—we cannot conduct offensive operations at sea,—defence of coasts, etc.

24-cm. guns "must be termed completely unsuitable for modern naval battles" (276)....

...The new Navy Law envisages the construction of 72 new submarines (277) ... the third squadron will be operational only in 1914 (278)....

Tsingtao must be better fortified (282)....

Surprise attacks:

Great Britain September 2-5, 1807 against Copenhagen.
" " July 11-12, 1882 " Alexandria (Egypt)....
Italy against Tripoli and Turkish vessels....

N.B. It was a mistake not to have "settled accounts" with France earlier—occasions could have been found (287): "I consider it the most grievous mistake German policy could ever have committed that we did not settle accounts with France when the world situation was wholly favourable and there was a sure prospect of success. There were many such opportunities" (287)....

The education of the people ought to be *more religious* and *patriotic*, and against the Social-Democrats (with their anti-patriotic convictions: 291) (Chapter 13)....

N.B. composition of army > from rural areas N.B. "Already today, only 6.14 per cent of German-born servicemen come from large towns, 7.37 per cent from medium-sized towns, 22.34 per cent from small and country towns, and 64.15 per cent from rural areas [1]), whereas the ratio of urban and rural population is quite different" (p. 292)

1905: rural areas . . . . . 42.5 per cent
small towns 25.5
medium-sized towns 12.9
large towns 19.1

..."The rural population is most intimately bound up with the army" (292) ... large sections of the town population "are hostilely disposed to the army" (292)....

The beneficial effect of military training ((the army does not *withdraw* people from useful work, but *educates* them* [this passage is not in Chapter 13])) ... factory labour is harmful in many respects ... the short working day is harmful (294)....

In Russia (in contrast to Japan) the educated classes regarded patriotism as an outworn concept, etc., etc.—hence defeatists (304)....

The government should keep the popular press in hand (305)....

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[1]) Count Posadowski, *The Housing Question*, Munich, 1910.

* Play on the German words "entzieht" and "erzieht".—*Ed.*

"I should consider it a blessing if all newspapers could be compelled to print certain government announcements so that readers would not be informed about public affairs so one-sidedly as they are through the party press" (306).... oho!!!!

In "financial and political preparation for war" (Chapter 14), one must not be guided by "petty-bourgeois views" (311) ... one must not give way to the "flabby philanthropy of our times" (312)....

	National wealth (marks per capita)	Expenditure on army and navy (marks per capita)
Germany =	5,000-6,000	16
France	about the same	20
Great Britain	6,000-7,000	29

(p. 315)

	Emigrants	Unemployed trade union members
From Germany	20,000 (1908)	4.4%
" Britain	336,000 (1908)	10.0%
" France		11.4%

(p. 318)

Germany's economic growth is faster (316-17)....

A people which spends about 5,000 million on tobacco and alcoholic drinks could spend "a few hundred million" (320) on defence of its honour, independence and future. !!

In 1870, Napoleon III banked on an alliance with Austria (Paris visit of Archduke Albrecht and Vienna visit of a French general ... 326), but he miscalculated....

Postscript (1913)—our position has deteriorated. The Balkan war, a blow at Turkey and the Triple Alliance.... No serious hopes of peace with Great Britain.... We must utilise Britain's "rapprochement overtures" for better preparation (343)....

((The book was written in the autumn of 1911: p. 338)).

End

RUEDORFFER, *BASIC FEATURES OF CONTEMPORARY WORLD POLITICS*

J. J. Ruedorffer, Basic Features of Contemporary World Politics, Berlin, 1914 (xiii + 252 pp.)

(The preface is dated *October 1913*.)

A pretentious book by a diplomat, who wraps up the imperialist aspirations of the German bourgeoisie in florid phrases. The chief theme is the struggle between national and cosmopolitan tendencies.

His sociological and philosophical pretensions = the stupidest neo-Kantian blather about the nation as an individual, comparisons with a forest (repeated dozens of times), about divinity and such like nonsense.

Actually, his is a topical theme, but it is wrapped up in catch-phrases about Aristotle's "entelechy", etc.

To complete her plans in Africa (the Cape-Cairo railway), Great Britain "now only needs to settle her differences with Germany and Belgium" (94)....

N.B. ...“Thus Portugal, and to a lesser degree Spain, are in reality dependencies of the British Empire. Japan cannot escape from the fetters of the British money market; Britain does not need to gain a footing in South America, for the London Stock Exchange finances, and thus rules over, Argentina, the most important South American state, and one with the richest future....

“Britain's world power has ... besides mastery of the seas, two other main pillars: the homogeneity of British culture, and the London Stock Exchange” (95)

Germany has been put in a difficult position—deprived of possibilities for expansion (Asia for Russia, North Africa for France and Italy), hemmed in on both sides; has come too late (the colonies are taken) ((§7, Chapter 2, p. 101 et seq.)).

On the Moroccan issue she has had to give way to France (105).

“The fate of German world policy will be decided on the continent” (107).... “It is possible, perhaps, to imagine

a German world policy without naval superiority, but certainly not without superiority on land" (ibidem).

(Victory on the continent of Europe is the key to everything for Germany.)

Morocco ... "retreat" (108): we had to retreat somewhat....

"This chapter of German world policy illustrates best of all the peculiarity of the Reich's international position, its limited possibilities for expansion, the link between world and continental policy, the complex factors with which a German world policy has to reckon" (109)....

German nationalism, he says, is still young, ..."the manners of a parvenu" (112).

In America, the *people*, the nation, is only just taking shape (especially with Latin and Slav emigration).

"Financially, Argentina can be regarded as a colony controlled by the London Stock Exchange" (133).... The South American states "at the present time are, and probably will be for a long time to come, the object and not the subject of world politics" (131)....

"Present-day Japan is suffering from her successes" (137)—cannot cope with her colonies, has not built up strength, etc.... (Japan lacks a religious foundation: 138) ((what an idiot!!))....

The cosmopolitan tendency—prattle about catholicism ... about the cultural ideal....

"*Capital* and its power....

"If the history of the colonial expansion of the European Great Powers in recent decades is regarded from this standpoint, it will not be difficult to see that all the wars of recent times in which the European Great Powers have taken part, if not actually contrived in the interests of capital, were at any rate brought about by its interests"* (157).... N.B.

"The interweaving of the material interests of the civilised world, the emergence of a unitary world economy, is one of the basic facts of modern politics" (159)....

The struggle for "majority shareholding"** (161).... "All economic enterprises of immediate political importance, for example, railways, canal companies, etc., are today

* See present edition, Vol. 21, p. 244.—*Ed.*
** Ibid.—*Ed.*

national in character even if their capital is international in its origin or form" (161)....

International law and international arbitration? "On the whole, the instrument of arbitration serves only to prevent the outbreak of undesired wars, which can arise from unforeseen incidents and do not affect vital interests of the nation; but nowhere yet have vital questions of the nation been settled by arbitration or a desired war been prevented with its help" (167)....

International socialism? (§ 5, Chapter 3, Part I, p. 172 et seq.).

N.B. "If international socialism succeeds in completely divorcing the worker internally from the fabric of the nation and in making him merely a member of the class, then it will have conquered; for purely forcible means, by which the national state may then still attempt to keep the worker bound to it, must by themselves prove ineffective in the long run. If, however, international socialism does not succeed

N.B. in this, if the internal links which connect the worker with the organism that is called the nation remain, even unconsciously, then the victory of international socialism will be open to doubt as long as these links persist, and will turn into defeat if it should prove that in the last analysis these links are the stronger"* (173-74)....

There is no "impoverishment" and no accentuation of class differences (174). The workers become involved in the intensified national struggle and nationalism (175).... "Hence it can be said that although the socialist movement since that time" (the recent period) "has experienced a prodigious upswing, and

N.B. although in all countries the socialist parties have greatly increased their power and influence, the international factor in the movement has not only not grown correspondingly during the same period, but has even lost in importance and drive" (175).

The electoral struggle of recent years has caused the German Social-Democrats to "conceal or play down" their internationalism (176)....

* See present edition, Vol. 21, p. 244.—*Ed.*

..."It" (German Social-Democracy) "has rejected with indignation the assertion of its opponents that in the event of war the Social-Democrats would inspire the mass of the workers supporting them to turn their weapons against their commanders and thus, jointly with the French socialists, try to prevent a war, it even treats the charge of lack of patriotism as an insult....

"The question (of the "national" tendency) is in the centre of the discussion, it becomes the *kingpin* of socialism"* (176)

..."The question is only that of the actual significance of these manifestations" (in support of internationalism, etc., on the part of labour and socialist parties) "for political events and for the political decisions of the peoples and their leaders, It is very small in the case of all states with strong national sentiments. In general, it can be said that on all questions on which the governments can appeal to the national feeling of the people, they do not need to pay any attention to the internationalism of their socialist parties, that so far no national war has failed to take place because of the socialists' hostility to war, nor will it fail to take place in the future on that account. It is possible that, in deference to the peace theories of socialism, the governments will perhaps be impelled to carry out their actions under the cover of national feeling. This does not alter in any way the essence of the matter, but only makes some changes in the political form and technique which modern politics have to employ"** (177-78).

N.B.

!

N.B.

!

!!

he thinks they can be easily deceived!

Cf. p. *103*: "The Social-Democratic Party, too, in its parliamentary actions and its propaganda among the people, must year by year take greater account of the national argument" (idem, p. 110).

* Ibid.—*Ed.*

** Ibid.—*Ed.*

N.B. The British colonies are introducing preferential tariffs for the mother country (206)—Canada, Australia, South Africa = "a de facto increase in customs duties against non-English producing countries" (206)....

"A Franco-Italian antagonism over hegemony [in the Mediterranean and Africa] seems to be taking shape" (211)....

..."So long as Russia has little difficulty in expanding in Mongolia and Persia, her urge for expansion will not be directed against Austria-Hungary, the Balkans and Constantinople" (211)....

N.B. Russia is protected by her geographical position "against national ruin" (216).—"In the event of defeat she has to fear at most the victory of the revolution and a slowing-down (?) of her development" (216)....

In general, wars can now be waged only in cases of "need" (218), but what does this mean?

N.B. defence or attack? "It is quite easy to distinguish in words between defence and attack, but extremely difficult in practice to decide beyond dispute who is the aggressor and who the defender" (218).

"It is not true that though the modern Great Powers arm, they do not make use of their arms" (219).—Their armaments enter into "calculations", they are taken into account in diplomatic negotiations, in exerting "pressure", etc., etc.

N.B. N.B. "The European alliances have crystallised around the two big antagonisms, the Franco-German and the Austro-Russian" (224)....

"Politically, however, her (Britain's) behaviour is wholly according to plan, her great influence in South America, especially in Argentina, is based on the activity of the London Stock Exchange in the issue of securities; also, in part, the vassal dependence of Portugal and Britain's predominant influence in Spain" (235)....

N.B. "This method of financial imperialism finds its purest expression in modern France. France has become the world's banker not because of her great wealth, but because of the greater liquidity of her capital. Germany, Britain and the U.S.A. are today far richer; but none of these richer countries has so

much liquid, investment-seeking capital as France" (235-36)....

There are two reasons for this: the greater "thriftiness" in France and the smaller demand for money for the needs of the economy.

The Germans have been wrongly blamed for not using the Moroccan incident so as to seize the "opportunity"—"to keep Spain on anti-French lines" (236)....

"The opportunity never arose, for Germany could not even dream of breaking the financial ties binding Spain to France and of undertaking to finance a country so much in need of money. France has always more or less openly given Austria and Hungary to understand that it is only because of their friendship with Germany and the Triple Alliance that their requests for money meet with difficulties on the Paris Stock Exchange" (236).... N.B. N.B. N.B.

..."If the German Reich still builds its international political influence only to a small degree on the flotation of loans, this is primarily due to the fact that, although richer than France, its capital is not so liquid" (237).... With a more rapid economic development, Germany is herself in need of capital....

..."Turkey has often found support in German banks against the political conditions attached to French loans; the same applies to Rumania, Hungary and other countries. In general it can he said that resistance to French financial imperialism will cause German policy to follow the same course" (238). N.B.

End

MACKAY, *CHINA*, *THE MIDDLE REPUBLIC. ITS PROBLEMS AND PROSPECTS.*

B. L. Baron von **Mackay,** ***China***, *the Middle Republic. Its Problems and Prospects*, Berlin, 1914. ((264 pp. + supplements.))

A scoundrel, reactionary, blockhead and swine; has lifted from a dozen books a heap of slanders

against "radical democrats" (the Kuomintang and its leader Sun Yat-sen). Scientific value nil. *Pp.??*
Supplement V. *Kuomintang leaflet* =
N.B. naïve, *democratic* republicanism ((the scoundrel of an author heaps abuse on it)). ["An Analysis of the Advantages of the Republic".]

Source References:

James Cantlie and Sheridan Jones, *Sun Yat-sen and the Awakening of China*, London, 1913.
Vosberg-Rekow, *The Revolution in China*, Berlin, 1912
Joseph Schön, *Russia's Aims in China*, Vienna, 1900.
M. v. Brandt, *East Asian Questions*, Berlin, 1897.
Wilhelm Schüler, *Outline of the Recent History of China*, Berlin, 1913.

The chapter "International Political Troubles and Conflicts" (Chapter 13) contains a brief account of the plunder of China by Russia (Mongolia) [the secret Urga protocol, 1912], by Russia + Japan (Manchuria. The secret treaty of Russia and Japan, July 8, 1912), by Great Britain (Tibet), by Germany (Kiao-chow*), etc.

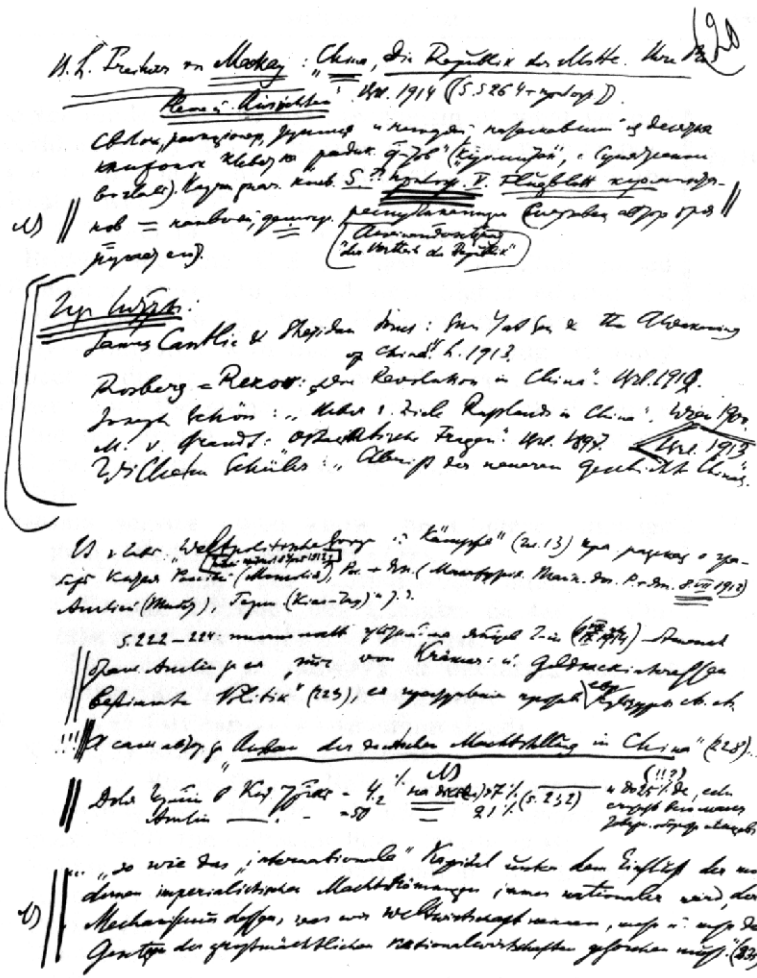
pp. 222-24: written after the Japanese ultimatum to Germany (August or September 1914)—gross abuse of Great Britain for her "policy, dictated solely by the interests of the shopkeepers and money-bags" (223), her crime against European civilisation, etc., etc.
!!! For his part, the author favours "*extending the German power position in China*" (228)....

Germany's share in Chinese trade = 4.2 per cent, but *factually* (he says) (N.B.) more than 7 per cent—and up to 25 per cent (!!?) if the total German trade turnover is taken into account.

Britain's share in Chinese trade = 50 per cent, but *factually* 21 per cent (p. 232).

..."just as 'international' capital becomes ever more national under the impact of modern imperialist

* Present name Tsingtao.—*Ed.*



Page 20 of Notebook “ξ” (“Xi”)
Reduced

power tendencies, so the mechanism of what we call world economy has to become more and more responsive to the laws of the national economies of the Great Powers" (235). N.B.

((Chapter 14: "Germany's Mission".))

Britain and the U.S.A. "last year alone raised 18 million marks to found new higher educational establishments in Shantung, Hankow and Hong Kong" (236)—compared with this sum, everything Germany allocated during the same period "appears minute". Where does the money come from? The chief source is the big British and American capitalists' commercial and industrial enterprises in China!! N.B.

Britain has "hundreds" of officials in "her maritime customs service" who know the Chinese language!! ("trained officers")—pioneers (239).... !!

Belgium and her commercial interests in China (243): Société d'Etudes des Chemins de fer en Chine,—its concessions on **two** *railways* in China.

p. 245—a map of railways in operation and scheduled for construction in China, in three groups

1) German———(medium-sized)
N.B. 2) British———(smallest)
3) Russo-Franco-Belgian———(largest)

According to *Hennig* (*World Communication Routes*, Leipzig, 1909), the following lines already exist;

1) Peking-Tientsin (and continuation to Dalny)
2) Kiao-chow—Tsinanfu*
3) Peking-*Hankow*
4) Shanghai-Pukow

..."The mouth of the Yangtze is Great Britain's East-Asian Shatt-al-Arah, and the Yangtze sphere of interest her East-Asian Southern Persia" (246-47)....

The Tientsin-Pukow railway is being built *jointly* by the British and Germans (247). N.B.

Great Britain has *1,900* km. of railway concessions in China (247).... N.B.

Germany has *700* km. of railway concessions in China (248)....

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* Present name Tsinan—*Ed.*

Mackay p. 245

Chinese railways (those already in operation and those scheduled for construction)

French-Russian-Belgian Group
German Group
English Group
((unknown owner))

In the great work of irrigation and land reclamation in China, German technique is supreme (254-55 et seq.)....

The Chinese ought not to sympathise with the "radical democracy of the New World", nor with Anglo-Saxon Constitutionalism with its "faded monarchism", but with monarchical Germany (257). !!

Then follows a long, dreary and stupid eulogy of German culture.... !!!

End

LUCAS, *GREATER ROME AND GREATER BRITAIN**

Sir **C. P. Lucas**, *Greater Rome and Greater Britain*, *Oxford*, *1912* (184 pp.).

(A vapid, pretentious, supercilious comparison of Rome and Great Britain, mostly in a superficial legal style. Only his contribution to the characterisation of imperialism is worth mentioning:)

65—Parts of Algeria were better cultivated (irrigation) in Roman times than now (*Arnold*, *Roman Provincial Administration*).

66—Artesian wells (dug by the British) in Australia (depth 5,000 ft)...

68—The fight against malaria in the colonies (English doctors)... (Ronald Ross) (Lord Lister)

(idem 70-71)

76-77: With the Romans, war went before trade. With the British *vice versa* (in the colonies) (peace, trade, etc.).

80: In the eighteenth century, however, there were wars, too (Canada, Australia)

86... The old chartered companies
East India Co. until 1858
Hudson Bay Co. " 1869
New companies
Royal Niger Co. (1880-1890)
South Africa Co.

* See present edition, Vol. 21, p. 243, and Vol. 22, p. 260.—*Ed.*

91: With us, slavery (West India) was an exception [banal nationalist bragging...]
94: The Romans took no account of race, they did not exclude Negroes.
96-97:"Coloured" people do not have equal rights in the modern British Empire: in India they do not have the franchise—they are not accepted as officials, etc., etc.
98: "In the self-governing provinces of the British Empire at the present day the coloured natives of the soil, though British subjects, are, more often than not, excluded from the franchise, as in Australia, for instance, or parts of South Africa, or British Columbia"....
99: Restriction of immigration of Negroes, etc.

N.B. 103: "In our own Empire where white workers and coloured workers are side by side, as in South Africa, it would be fair to say that they do not work on the same level, and that the white man is rather the overseer of, than the fellow-workman with, the coloured man."

107—In Australasia, the white workers are against the Negroes and yellow-skinned—as undercutters of wages....
142: Two parts of the British Empire:
1) sphere of rule (rule over "lower" races)
((India, Egypt, etc.))
2) sphere of settlement (British emigration to the colonies: Australia, America, etc.).
175—On the question of free trade and protection, the author is for "imperial preference" (175), for a "wise opportunism" (176).
"Imperial preference is the goal to be aimed at. Little by little is the way to the goal" (176).
176-77... "The existence of these British dependencies may, and probably will, be found to supply the strongest of all motives to the self-governing Dominions for remaining within the circle of the British Empire",—for all mature national states (Spain, Portugal, France, Germany, etc.) need colonies, but all are already occu-

pied, mostly by Great Britain ((and they, too (Australia, etc.), he argues, benefit from our plunder of India, Egypt, etc.)).

Source References: Bampfylde *Fuller*, *Studies of Indian Life and Sentiment*, 1910.
Cromer, *Ancient and Modern Imperialism*.

BELGER, *SOCIAL-DEMOCRACY AFTER THE WAR**

Erwin Belger (former General Secretary of the Imperial Alliance Against Social-Democracy), *Social-Democracy after the War* (60 pfennigs), Berlin, 1915 (Berlin, S.W. 11, Concordia Publishers). (45 pp.)
3—Praise of "their [Social-Democrats'] irreproachable, honourable behaviour"....
6—"Rosa Luxemburg"—malicious attacks against her on several occasions; against the "bandit party press" (6), etc.
9—The Reichstag sessions of August 4 and 5 ... "gave us great joy" ... "the bright spot of the picture was the Social-Democratic 'Yes!'" (10)....
..."Consequently, it [Social-Democracy] can with a clear conscience confront the international court of a world party congress" (13)....
...Our Alliance is now dying (16)....
..."Could one wish for a better German than the Mannheim hero Dr. Frank, this favourite of German Social-Democracy?" (21)....
(On August 4) "the world experienced a historic turning-point that is without equal" (21)....
..."It is hardly conceivable that anyone will suddenly be reconverted from a German *patriot* into an inveterate *internationalist*. This war must embed the concepts '*national*' and '*German*' so deeply in every heart that no one will be able to free himself from them any more" (26)....
..."Anyone who in the past, say, fifteen years ago, listened to Social-Democratic speakers at public meetings, must often have been astonished that their ugly, hateful, gross

* See present edition, Vol. 21, p. 243.—*Ed.*

abuse could be taken at all seriously by thinking people and so furiously applauded. But anyone who frequently attended Social-Democratic meetings in the last ten years could note with growing admiration how the level both of the speakers and their audience has risen" (32)....

Class hatred—there is the evil (33 et seq.).

..."What has become of class distinctions? There are no longer *any* parties, and still less are there any classes. The officer" ... the mechanic, etc. (36)....

The Kaiser's son and the leader of the Bavarian Social-Democratic youth associations, Michael Schwarz, have both been awarded the Iron Cross (36).... "Will this man, whom love of the fatherland called to the field of battle ... ever again tolerate that his young adherents shall hate the sons of his comrades-in-arms of 1914? He will not, if he does not want to fly in the face of all that is good" (36)....

..."Further consequence of altered tactics".... "Opposition at all costs" "was a dangerous weapon", etc.

"Can these rigid principles be maintained? To be honest towards oneself and others, the answer must be: *No!*" (38)....

"Social-Democracy as a party" must remain (41) without "utopias" (43), without ideas about "violence", "nonsense" (41) ... "a *purely* [the author's italics] labour party" ... a "*n a t i o n a l*" party.

"After the war there will be still less basis for us Germans to spread *international*, *utopian ideas*" (44)....

..."As already indicated above, the *German* workers, with the experience they have gained, will on cool reflection finally reject the international trend in Social-Democracy"... (44).

Is it not a fact that the Executive Committee—of the Social-Democratic Party—countered the lies of the French, of the International Socialist Bureau Executive Committee (45), etc.?

..."When they reach the point—and it will be reached eventually—of reshaping the entire obsolete Erfurt Programme, let them draw the necessary conclusions, and above all delete the international principles"... (45).

The party must "*realise that it belongs to the n a t i o n*" (45)....

Then the workers will have not an international party, ‖ not one "working for revolution" ... "but a German work-

ers' party, which recognises the strength of the national idea, is prepared for a business-like peaceful agreement and vigorously defends the interests of its adherents !" (45) (author's heavy type).

((Last words of the pamphlet.))

End

ROHRBACH, *WHY THIS IS A GERMAN WAR*

The German War, No. 1 (50 pfennigs) (Berlin, 1914). **Paul Rohrbach**, *Why This Is a German War.*

Chauvinist hysteria against a "decaying world".... We alone, he maintains, are fighting for our existence, France and Russia are fighting "blinded by national passion" (24), and Britain out of selfishness ("a war of sea pirates"—24)....

..."In fact, our choice, just as that of Austria-Hungary, was not between war and peace, but between war today and war one or two years hence; only in that case it would have become infinitely more dangerous for us" (22)....

..."It can be assumed that the French and Russian army commands planned the attack on Germany and Austria for the beginning or the first half of 1916" (20)....

WALTERSHAUSEN, *THE NATIONAL ECONOMIC SYSTEM OF CAPITAL INVESTMENTS ABROAD*

A. Sartorius Baron von Waltershausen, The National Economic System of Capital Investments Abroad,* Berlin, 1907. (442 pp.)

(Divided into four books ... most of which I have only managed to leaf through, selecting what is most important.)

Argentina = "in reality a trade colony of Great Britain" (45-46), "which has capital investments there of over £50,000,000" (46)....

$50 \times 25 = 1{,}250$ million francs = 1¼ milliard francs

* See present edition, Vol. 21, p. 243, and Vol. 22, pp. 263, 278.—*Ed.*

French capital

in Russia	about	9-10	thousand million francs (1906 estimate) (p. 48)
" Belgium	"	0.6	" " "
" Britain	"	0.9	" " "
" Switzerland	"	0.4	(and *up* to 1.0)
" Germany	"	0.2-0.3	(Leroy-Beaulieu, *L'Économiste Français*, 1902, II, p. 449 et seq.).
" Spain		3,000	million francs (p. 53)...
" Tunisia		512,000,000	francs ... (p. 50)

French capital abroad

30,000	million fr. (p. 55)	(L.-Beaulieu, ibidem)
34,000	" "	(L.-Beaulieu, p. 98)
(*) 40,000	" "	(1905: author's estimate, p. 98)

British capital in America (1857)—£*80 million* (p. 62—according to Marx's *Capital*, III, 2, p. 15, note).[44]

German capital abroad [securities only]
up to 10,000 million marks (1892) (p. 101) . . .
" " 16,000 million marks (author's estimate, p. 102, for *1906*)
+10 not in securities (p. 104)
(*) 26,000 million marks

German capital in *German* colonies (1904)=370 million marks (p. 133)

B. Harms (p. 234 et seq.)	(*) Ergo (1905) 000 million Mk	
70— 65	Britain	55
35— 34	France	32
35— 35	Germany	26
140 134		113

"It has been calculated that Britain now receives from the United States about *1,000 million marks* in capital gains and interest" (68).

(*) *British* capital abroad (*Speyer's* estimate for 1900) = **£2,500** million (p. 94)

×20=50,000 million Mk

+50 million per annum
× 5 (1901-05)

250×20=5,000
5+50=55, my calculations

Foreign capital

in ***Austria-Hungary*** (1903)=
(p. 107)

		9,809 *mill. kronen*
including	Germany	4,653
	France	3,270
	Holland	647
	Britain	356
	Belgium	243
	Switzerland	242
	Others	398

(*Idem* B. Harms, *Problems of World Economy*, Jena, 1912, p. 236.)

Rumanian Oil
(1905) (pp. 145-46)

Capital (private)	Million francs
Germany	92.1
Holland	8.0
Britain	5.2
France	6.5
Belgium	4.0
Italy	7.5
America	5.0

Colonial Banks (1905)
(branches)

	Branches	capital (*millions*)
Great Britain (p. 151)	2,136	£ 35.5
	+175	£ 17.2
France	136	328 fr.
Holland	67	98.3 guilders
Germany (p. 152)	87	60 marks

Belgian capital in Russia (1900) = 494 million francs (p. 182)

Foreign capital in the U.S.A. (p. 240)
American loans (1902):
$3,000 million
in enterprises, etc.

Great Britain—4,000 *million marks* (approx.) (p. 242)
Germany 2,000 *million marks*
France 450 million *francs*

...“There is often an equilibrium between the big money markets today, but under special circumstances the centre of gravity is at one time in London, at another in Paris, and at yet another in New York” (251)....

American capital in Mexico (1902)—$500 million (p. 243) . . . in *Cuba*—**$159** million (p. 244); since 1900 it has made “enormous progress” in Brazil (243)....

total *American* capital abroad (p. 245).

	$ million	
(1897)—	600—	800
(1902)—	1,300—	1,500

In 1870-71, Leroy-Beaulieu estimated the (national) wealth of France at *140,000 million* francs, annual savings at *2,000 million* francs, (p. 348, chapter “Export Capital and War”); capital abroad= 15,000 million (its income=600-700 million).

National Debt

Russia (1906)
—9,000 mill. rubles or
20,000 ” marks
(pp. 292-93)

of which
9,000-10,000 mill. marks to France
2,000-3,000 mill. marks to Germany
the remainder to Britain, Holland, *Austria* (*!!*)

The fourth book, “Export Capitalism and Society” (357-442), is devoted mainly to the **rentier state** (Holland as an example)—now Britain and France are becoming rentier states too—“Germany’s World Economic Tasks” (Chapter III, Book 4):

Here the author clearly reveals himself as a German imperialist patriot. He is *for* a peaceful division of spheres of influence (and profits) in Africa, etc. (pp. 424-25

and others), but he is ***quite ready to fight a war*** (end of p. 440).... Favours armaments....

..."China, Morocco, the Congo State, the Turkish Empire, Russia ... still offer certain prospects for capitalists and entrepreneurs" (423)....

..."Africa ... a European domain" (425), if America is conceded to the United States. N.B.

..."The greatest future for the export of European capital lies between Cape Blanc and Cape Agulhas" (425).... N.B.

The socialists (he quotes Marx and Engels) cherish "utopias".... In point of fact, the present social system affords the worker excellent prospects. The majority of rich men have come from workers and small people (he refers to *The History of Modern Wealth*, by *K. Schmidt-Weissenfels*, Berlin, 1893: "It contains instructive examples: Borsig was a carpenter, Krupp—a metalworker, Leitenberger—a small manufacturer, Lanna—a shipbuilding worker.... Siemens—a small-holder, Dreyse—a mechanic.... Rothschild—a small trader", etc.).... N.B.

We Germans have not yet learned to value our colonies and appreciate their importance as the British do (434)....

The workers, as a class, gain economically from the possession of colonies and from world policy.... Socialism is stagnation: "Unscrupulous demagogues dare to preach this idiocy to the politically immature mass of workers, presenting it as the gospel of prosperity and tranquillity" (437)....

..."Our Social-Democrats will not hear of the steady rise of our national prosperity.... They want to unite the proletarians of all countries for the destruction of capitalist society. We know that this idea has proved ineffectual both as propaganda and in terms of useful social results. Why, then, insist on the destruction of the old dwellings if it is impossible to build a common new house? There is no answer to that, save propaganda phrases as a counterweight to the life-giving concept of the nation" (438).... N.B.

He praises the "realism" (438 and 439) of the British workers (their opposition to immigration) and would like the same for the Germans....

N.B. by the same author: "Contribution to the Question of a Central European Economic Federation" in *Zeitschrift für Sozialwissenschaft*, Vol. V, Nos. 7-11.

End

HENNIG, *WORLD COMMUNICATION ROUTES*

Richard Hennig, *World Communication Routes*, Leipzig, 1909 (284 pp.).

For the most part simply an account, an enumeration of railways, maps, etc.

Africa: **railways** (1907) (p. 213)

	km.	"under construction or definitely planned"
British colonies	13,117	15,113
Egypt	5,252	6,956
(Great Britain)	Σ=18,369	22,069
French colonies	5,657	9,849
Portuguese "	1,173	2,313
German "	1,398	1,988
Belgian "	642	—
Italian "	115	115
Total	27,354	36,334

There are interesting references to the unscrupulous struggle between the powers over concessions (for railways—e.g., in China), swindling, etc., etc.

HELFFERICH, *NATIONAL WELFARE IN GERMANY*

Dr. Karl Helfferich (head of the Deutsche Bank), *National Welfare in Germany 1888-1913*, Berlin, 1913.

A panegyric.... An official eulogy

Unimportant, adulation

Germany's national income is about *40*,000 million marks per annum, as against *22,000-25,000* million in 1895; out of the 40, about seven go for public purposes, about 25 for private consumption, and about eight for accumulation = 40 (p. 123). Germany's national wealth > *300,000* million (1) marks per annum as against *200,000* million in 1895.

p. 114

			(000,000,000 marks)	per capita (marks)
German	national	wealth =	290-320	4,500-4,900
French	"	"	232.5 (287,000 million francs)	5,924 (7,314 francs)
British	"	"	230-260	5,100-5,800
U.S.	"	"	500	5,500

(pp. 99-100)

			1908 (000,000,000 marks)	per capita (marks)
German	national	income	35	555
French	"	"	20	514
British	"	"	35	815

(p. 61)

	Coal output (million tons)			Pig-iron output (thousand tons)		
	1886	1911	+%	1887	1911	+%
U.S.A.	103.1	450.2	+336.6	6,520	24,028	368.5*
Great Britain	160.0	276.2	+ 72.6	7,681	10,033	30.6
Germany	73.7	234.5	+218.1	4,024	15,574	387.0*
Russia				612	3,588	486.3
Austria-Hungary	20.8	49.2	+136.5			
France	19.9	39.3	+ 97.5	1,568	4,411	281.3*
Belgium	17.3	23.1	+ 33.5	756	2,106	178.6

(1) Including 20,000 million marks of capital invested abroad (p. 113).

* So given by Helfferich.—*Ed*.

CROMER, *ANCIENT AND MODERN IMPERIALISM**

Earl of **Cromer**, *Ancient and Modern Imperialism*, London, 1910 (143 pp.)

Practically nil. The pretentious chatter, with a learned appearance and endless quotations from Roman writers, of a British imperialist and bureaucratic official, who ends by pleading *for* India to be kept in subjection, against those who allow the idea of her separation. It would be "a crime against civilisation" (123) to liberate India... etc., etc.

Parallels with Rome, the lucubrations and advice of a bureaucrat, almost entirely of an "administrative" character—that's all.

p. 101: in India (*Indian Census*, p. 173) 90 men and 10 women out of 10,000 of each sex read and write English (101)....

103: It is a good thing that we did not oppose the teaching of Dutch in South Africa: now this language will die out of itself....

107: Hatred of and anger against the "wretched youth" (Dhingra), who assassinated Sir Curzon Wyllie (and wrote his defence in English)....

110: quoted the *Journal of the Statistical Society*, Vol. XLI: *Walford*, "The Famines of the World"... (350 cases of famine). In India there have been cases when 3-10 *million* died of hunger (111).... *Romesh Dutt*: *Famines in India* (quotation, 113)....

122: There are 147 languages in India; 276 million people speak 23 languages (*Indian Census*, p. 248)....

124, note: advice to young Englishmen: "read, mark, learn and inwardly digest" the history of the "Indian Mutiny"....

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* See present edition, Vol. 22, p. 260.—*Ed.*

NOTEBOOK "o" ("OMICRON")

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o

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2.— Basle Manifesto and Chemnitz resolution.
3-6. *Die Gleichheit* magazine, August 5, 1914.
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8-11. *Volksstimme* (Chemnitz).
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36-37. *Engels*.
38-39. E. Heilmann (*Die Glocke*).

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42-44. *Greulich* and the *Grütlianer*.
45. *Schweizerische Metallarbeiter-Zeitung*.

N.B.
|| Engels (on the working class in England)—p. 14
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Marx on the coming *war* (in 1874)—*22*.

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Bax on imperialism 1900 ... p. *16*.
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Kautsky on religion (banalities)—15.

The French constitutions of 1791 and 1848 on *national wars*: *p. 30*.

"Epochs" of modern history, *p. 28*.

A saying of Saint-Simon's—*49*.

SCHMOLLER'S JAHRBUCH, 1915, No. 1

In an article: "National Nutrition in War and Peace", Karl *Ballod* (*Schmoller's Jahrbuch*, 1915, No. 1) attempts a summary (incomplete) of data on national nutrition: Plant and Animal Foodstuffs

Total amount per capita per day

order	*calories*	including plant	including animal
4. Germany	2,708	2,164	*544*
2. Great Britain	2,900	1,925	*975*
5. Italy	2,607	2,367	240
3. France	2,749	2,205	*544*
6. Austria	2,486	2,030	*456*
1. U.S.A.	2,925	1,870*	*1,054*
7. Russia	2,414**	2,235	279
8. Japan	1,814	1,764	50

Germany
Plant+Animal

2,103+294=2,397
150 150
2,103+444=2,547
61 61
2,164+444=2,608
100
2,164+544=2,708

Great Britain
1,925
975
2,900

The order of the countries is mine. Ballod's figures for Germany are not fully allocated to plant and animal foodstuffs. My allocation is according to his partial data.

Ibidem, article by *Jäger*: "Marxist Neo-criticism" about Adler, who combines Marxism and Kantianism.

Ibidem a small article by Schmoller on the Marx and Engels correspondence: scornful about revolution: it should be replaced by reform (p. 432).

The trade unions are stronger than the party; bureaucracy (5,000-10,000 persons) in the Social-Democratic movement.... "In short, the German workers' Marxist party is undergoing a process of disintegration, or of bourgeois degeneration, however much it may deny this" (424).

N.B. also an article by *Georg Siegwart*: "Soil Fertility as a Factor in History."

* Ballod's error; it should be 1,871.—*Ed.*
** Ditto. It should be 2,514.—*Ed.*

MARX, ARTICLE OF 1878 ON THE INTERNATIONAL AND REMARKS ON THE SELF-DETERMINATION OF NATIONS

Marx 1878:

Die Neue Zeit, XX, 1, p. 585 (1901-02), M. Bach's translation of *Marx's* English article of 1878: "Mr. George Howell's History of the International Working Men's Association."

Marx treats this Howell (a typical liberal labour politician) with contempt, corrects a number of his lying assertions about the International, states that he, Marx, is the author of *The Civil War in France*, which he published a long time ago in *The Daily News*, speaks of the International passing into a new, "higher" form, and makes other remarks on particular points. Inter alia. Marx writes:

N.B. Marx (1865) (and 1878) on self-determination of *nations*

"By the way, a paragraph of the programme which I had the honour to indite for the General Council" (for the 1865 Conference) "reads: 'The necessity of annihilating the Muscovite influence in Europe by the *application of the principle of the right of nations to dispose of themselves*, and the reconstruction of Poland upon a democratic and socialist basis'" (p. 586). ((In *The Secular Chronicle*, Vol. X, No. 5, August 4, 1878. A little magazine of a "free-thinking republican trend". The publisher, Harriet Law, was a member of the International.)) ((My italics.))

THE BASLE MANIFESTO AND THE CHEMNITZ RESOLUTION

Imperialism. Grünberg's *Archiv für die Geschichte des Sozialismus*, 1915 (Nos. 1 and 2) contains the resolution of the *Chemnitz* Party Congress (September *1912* [September 15-21, 1912]) on **imperialism** (pp. **314-15**).

The resolution emphasises: the export of *capital*, the endeavour to obtain "new spheres for capital investment", employers' organisations, their influence on the state and "the expansion drive", the endeavour to control "large parts of the economic area of the world".... The result: "an unscrupulous policy of *plunder* and *conquest* ... is the consequence of this imperialist expansion drive.

Hence: conflicts between *states*—the danger of *war* the interests of suppliers of "war materials".

... "brutal imperialism"

Free trade, "agreement between nations", etc. to mitigate (mildern) its temporary effects.

The concluding sentence of the resolution reads:

"It is, however, the task of the proletariat to transform capitalism, which has been raised to the highest level, into socialist society, and so permanently ensure peace and the independence and freedom of the peoples."

N.B.

Ibidem, p. 324—voting on Rosa Luxemburg's amendment (on the mass strike) at the Jena Congress (1913):

For Rosa—144 = 30%

Against ... 336

480

Ibidem, pp. 306-11—the Basle Manifesto (**November** 24-25, 1912)

N.B., ibidem, review of the book:

O. Festy, *The Working-Class Movement at the Beginning of the July Monarchy*, Paris, 1908 (359 pp.), 10 francs.

By the same author: "The Lyons Revolt of 1831", *Annales des sciences politiques*, 1910 (pp. 85-103).

DIE GLEICHHEIT, AUGUST 5, 1914

Die Gleichheit, 1914, No. 23, August 5, 1914.

"WAR AGAINST WAR"

First item "War against War" is a quotation from the resolution of the Stuttgart Congress[45]—if a war threatens

to break out, the International Socialist Bureau shall be convened and all means shall be applied to prevent war. If nonetheless war should break out, then *etc*.

"PROLETARIAN WOMEN, BE PREPARED!"

Second article: "Proletarian Women, Be Prepared!"

Written after war was declared on Serbia, but *before* the European war.

Austria believes that Russia, etc., will hardly be able to fight. The article speaks of Austrian "imperialism", its "crime". "It [Austrian imperialism] fights solely for the interests of the reactionary Habsburg dynasty, to satisfy the lust for gold and power of the unfeeling and unscrupulous big landowners and big capitalists"....

The German newspapers "unscrupulously" call for war....

"That must never be allowed to happen. The German proletarians—men and women—must prove by their action that they have awakened, that they have matured for freedom" ....

The German Government says it wants peace. "But the people have learnt that the government leaders' tongues are forked like those of snakes."

The bourgeoisie is chauvinistic, and

"Only the proletariat will oppose its broad breast to the approaching disaster of a world war"....

In Russia, the struggle of the proletariat more than anything else holds back war.

"Let us not be less resolute or weaker than they are" (=the Russian workers).

"Let us not lose a minute's time. War is at the door.... Come out from the factories and workshops, from the huts and garrets, in a mass protest"....

"The exploited masses are strong enough to bear the entire edifice of the present-day order on their shoulders.... Will they prove too weak, shrink from privations, be afraid of danger and death, when the fight for peace and freedom calls? Will they allow free passage to a militarism which has just been branded before the widest public opinion as the brutal executioner of their sons and brothers?"

For the working class, brotherhood of peoples is no "empty delusion", but a matter of vital importance, the "solidarity of the exploited of all nations".

"It [this solidarity] must prevent proletarians raising weapons of death against proletarians. It must inspire in the masses the determination to use all available weapons in the war against war. If the proletarian masses oppose the fury of world war with their all-conquering strength, this will be a battle won in their struggle for emancipation. The revolutionary energy and passion of their struggle will mean persecution. There will be danger, there will be sacrifices. But should that daunt us? There are moments in the life of individuals and of nations when it is only possible to win by staking everything. Such a moment has come. Proletarian women, be prepared!" (p. 354).

End of article

"POLITICAL SURVEY"

And in the "Political Survey"

(p. 363). "The revolutionary forces of the prole-, tarian masses in the countries of Western Europe are to a large extent still dormant, but they are there, and it is precisely the torch of war that can awaken them." ||| N.B.

(revolution exists in embryo not only in Russia, but also "in other European countries"....)

This is followed by an item on the increase of strikes and barricades in Russia

(((and ten lines on the Brussels conference of July 16-18, 1914; unity will assist the movement....)))

DELBRÜCK, *GOVERNMENT AND THE PEOPLE'S WILL*

Hans Delbrück, ***Government and the People's Will***, Berlin, 1914.

Generally speaking, a most foul, reactionary opus, with tricky arguments *against* democracy. Everything is trotted out *against* democracy—sophistries, historical examples, etc.

There is some value in (1) his exposure of *bourgeois* (**) democracy (the reference to revealing *English* sources, for instance).

Literature: (**)
Wilhelm Hasbach, *Modern Democracy* (1912).
Adolf Tecklenburg, *Development of the Franchise in France since 1789*.
J. Unold, *Politics in the Light of the Theory of Evolution* (the work of a journalist, he says).
Lowell, *The Constitution of England*.
Belloc and Chesterton, *The Party System*.

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(2) *The Polish question*. The author is an opponent of Prussia's Polish policy as being ineffectual.
P. 1. What is a people? The German people?— we have "many millions—Poles, Danes, Frenchmen" (p. 1).

N.B. "There are German-speaking people in Alsace-Lorraine who consistently reject political kinship with the German people" (p. 1).

Hegel on "the people": A saying of Hegel's: "The people is that part of the state which does not know what it wants" (p. 41)....

N.B. a reactionary on *self-determination* of nations: "But it is manifestly impossible for every single fraction of a people, cut out at random, to have the right to self-determination. If we accept it for the Alsace-Lorrainers, then why not for each of the three ethnic groups Swabians, Franks and Frenchmen? And why not, finally, for each individual community?" (p. 2).

On the Social-Democrats: Michels, he says, admits that the Social-Democrats are losing their revolutionary character (fear for their

organisation). "Indeed, from another standpoint, too, it was long ago predicted that the growth of such a revolutionary party does not bring it nearer its goal of genuine revolution; on the contrary, it is internally separated from it" (p. 80). And pp. 82-83, against Mehring: organisation *always* requires leaders; the **masses**, even *the most educated* masses, need them. "Will these leaders use their power to carry out a revolution and bring about a general overthrow, at the risk of destroying not the existing state and society, but themselves, or will they prefer occasional compromises—that is the question" (83), which, he says, Mehring rejects out of hand. (Written 1914. Preface: November 11, 1913.)

N.B.

°**°

N.B.

N.B.

°**°

In reply to Delbrück, Mehring says he did *not* write this article, and puts forth the argument, a very feeble one, that the Social-Democrats more than anyone else have "measures" to prevent bureaucracy (*Die Neue Zeit*, 1913-14, 32, I, p. 971).

N.B.: the number of government officials in Germany = about 1,350,000 = about one-tenth of the number of electors: 13,300,000 in 1907, p. 182.

The Prussian policy of Germanising the Poles has up to now cost **1,000 million** marks. Why "*complete bankruptcy*"? (161).

The Poles are embittered against the German schools the Polish children "know from their own experience all the bitterness of foreign rule, for there is no deeper insult to national consciousness" than that inflicted through language (162).

Polish is being kept alive in the towns. Of the four estates (nobility, clergy, peasantry and bourgeoisie), only the last-named is irreconcilable. German colonisation embitters the Poles and unites them nationally. A trade boycott: "Poles, buy Polish!"

The Poles cannot be "conciliated" (p. 171), they should be divided and helped to form a Prusso-Polish party (172).

"Of course, the reconciled Poles remain, essentially, 'Prussians subject to notice', as we have described them" (p. 174)—that is inevitable, but we must pursue such a policy that the "ideally possible notice (Kündigung) never becomes actual".

"The reputation a people enjoys among other great civilised peoples is of vast importance for any foreign policy. The German people—and let there be no illusions on that score—is the most unloved of all, and it is by no means merely the envy harboured by other peoples, as we are so ready to put forward in excuse, that causes them to look at us with such a jaundiced eye. Our wrong nationality policy is to no small extent responsible for the hate we encounter everywhere" (175): the Poles and the *D a n e s* (N.B.) cry out about us to the whole world!!

VOLKSSTIMME (CHEMNITZ)

"AGAINST BOTH JUNIUSES"

Volksstimme (Chemnitz), Supplement to No. 131 (June 8, 1916).

A short article: "*Against Both Juniuses*."

"Political arguments will, of course, carry no weight with those who judge only by the enormous sacrifices and suffering of this war and speak only in embitterment and desperation. For one, however, who does not want to hit out blindly, but to analyse and judge, the situation is already quite clear. Our readers will know from our reports of the Junius pamphlet, which seeks to persuade the German proletariat that its greatest interest lies in Germany's defeat, to which end the working class must exert all its efforts. It is no accident that the anonymous author of the pan-German pamphlet attacking the Reichs-Chancellor a pamphlet emanating from the Tirpitz opposition and annexationist and blood-thirsty to a degree of madness, signs himself *Junius Alter*, the second Junius. Both Juniuses,

one propagating Germany's defeat and the other Germany's world domination, actually play into each other's hands. And, reading the pamphlet of the first Junius, we have repeatedly asked ourselves whether it was really written by a Social-Democrat who has lost all judgement, or whether it is the work of a Russian police agent! The German working class will send both Juniuses packing. It will continue to fight the external enemies until they are ready for a reasonable peace, and the internal enemies who want to sacrifice precious German blood for the sake of lunatic plans of conquest. Such is the policy of Social-Democracy, and the history of the working-class movement will thank the leaders who in these days are so vigorously championing this policy in the Reichstag in defiance of all attacks and slanders."

End. The *entire* item.

"QUITE CORRECT!"

N.B.:

Volksstimme (Chemnitz), 1916, No. 133 (Saturday, June 10, 1916):

"*Quite correct*. Apropos our remarks on Comrade Dr. Lensch's speeches on the colonial question, the *Bremer Bürger-Zeitung* writes:

"'The Chemnitz *Volksstimme* seems to be concerned for the cessation of Party strife. However, it is probably speculating on the prospects this will present for unity between social-patriots, social-imperialists and social-pacifists, thanks to the behaviour of even the extreme Left wing of the Party Centre. The Chemnitz Party organ is probably not far off the mark. But as regards the radical Left, the paper's hopes for a re-union with the social-patriots are, of course, in vain.'

"We can confirm that the Bremen newspaper's idea is quite correct. We do, in fact, consider it of the very greatest importance that Party strife should cease, or at any rate be so [sic!] restricted [sic!] that it would no longer endanger organisational unity. Even today we still confidently hope that the social-pacifists—which in the jargon of the *Bremer Bürger-Zeitung* means the Haase-Ledebour group—will once again join with the social-patriots (that means

us) and the social-imperialists—that refers to the trade union leaders Lensch, Cunow, etc.—to form a single, united Social-Democratic Party. We are aware that the Rühle-Knief group, which has already declared that *a split is the prerequisite for the Party's further activity* [Chemnitz *Volksstimme*'s italics], will not take part. But the proletariat can suffer this loss without damage to its fighting capacity".

((the entire item))

BREMER BÜRGER-ZEITUNG

"THE I.S.D AND THE *INTERNATIONALE* GROUP"

Bremer Bürger-Zeitung, 1916, No. 139, June 16, 1916.

"*International Socialists of Germany and the Internationale Group*".[46]

Comrade *Knief*, now on holiday, writes to us:

"The *Bremer Bürger-Zeitung*'s editorial comment, the day before yesterday, on the statement of the *Internationale* group might give rise to erroneous views on the relation between the *International Socialists of Germany* (I.S.D.) and the *Internationale* group."

The relation between these groups has been repeatedly discussed on our pages, particularly in a leading article in No. 77 (of March 31), from which we quote:

"The opposition consists of *two* fundamentally different groups: the *Party Centre* (Kautsky ... Haase—Ledebour ... *Neue Zeit* ... *Leipziger Volkszeitung*, *Vorwärts*) ... and the *radical Left*, to which belong ... the I.S.D. and the *Internationale* group ... (*Lichtstrahlen*, *Bremer Bürger-Zeitung*, the Braunschweig *Volksfreund*, *Sozial-Demokrat* (Stuttgart)), and also, although not quite consistently, some Rhenish press organs."

The Braunschweig *Volksfreund* was Left-radical under Thalheimer's editorship—now, however, with *Wesemeyer* as editor it "represents the standpoint of the Centre".

The *Bremer Bürger-Zeitung* No. 74 (March 28) published (in the absence of Henke) a comment from the Braunschweig *Volksfreund* to the effect that that newspaper supported (at

that time) the attitude of the *Internationale* group (and regarded the "guiding theses of the 'Spartacus letters'" as its "tactical and theoretical programme")...

"Hence the I.S.D. and the *Internationale* group are not identical. Both represent the radical Left and on tactical issues are strongly opposed to the Party Centre and the Social-Democratic Labour Commonwealth. While, however, the I.S.D. adopted this position from the outset, the *Internationale* group has only gradually broken away from the opposition grouped around Ledebour-Haase. At the time, the *Bremer Bürger-Zeitung* greeted this process as a further step towards clarification (No. 74, March 28).... Since then, in its 'Spartacus letters', the Internationale group has sharply and vigorously fought the Social-Democratic Labour Commonwealth".

(Quoted from the last 'Spartacus letter'.)

"In this attitude to private property [the private property of the Social-Democratic Labour Commonwealth??], the I.S.D. and the *Internationale* group, as already stated, are in full agreement, although they differ on many other issues." ||| N.B.

Both groups work "*within the framework* of the present organisation" "as long as this is not made impossible by the tyranny of the Party bureaucracy"....

All this is important (he writes), for people often make the mistake of "trying to erase the line of division between the Centre and radical Left"....

"How far the two groups will move towards separate organisational existence depends entirely on the development of inner-Party relations. In any case, in the interests of clarity it is to be welcomed that they should be distinguished also externally, by their names." (End.)

Johann Knief

HENKE, "NOT IDENTICAL, BUT THE SAME"

Ibidem, No. 140 (June 17, 1916).

Henke's reply: "Not Identical, But the Same"....

..."I have no recollection of having read of the difference between the two groups and of their higher unity in Left-radicalism. My scant interest |||| N.B.

N.B. |||| in such sectarian groupings may perhaps have contributed to this forgetfulness.
|| "Myself, I do not belong to either group"....

> I have always stood by "socialist principles", etc., etc., and such like phrases but nothing specific.

Henke

"YET ANOTHER PERIODICAL IN BREMEN"

No. 141 (June 19, 1916)—prints the appeal to subscribe to *Arbeiterpolitik* (a radical Left weekly).

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E. Walter, *Military Organisation and the Working Class*, Zurich, 1907.
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LENSCH ON THE MILITIA (1912)

P. Lensch, "Militia and Disarmament", *Die Neue Zeit*, 1912 (30, 2).

?? mish-mash!! ??

—inter alia, this passage: "The militia system is the organisation of the armed services of a democratic state for the purpose of guaranteeing the country's external and internal security. The militia is, of course, quite unsuitable for wars of conquest and that is the reason why we support it" (p. 768).

Also a quotation from Engels, 1865 (to be copied out), to the effect that it is a matter of indifference to the workers which Great Power gets the upper hand, but they are not indifferent to learning the art of war.

ENGELS ON THE WORKING CLASS IN ENGLAND

The same article contains the following quotation from *Engels* (apparently from the preface to the new edition of *The Condition of the Working Class*) (p. xxiii of *The Condition*, 2nd edition):

Engels on the working class and dominant position of England

"During the period of England's *industrial monopoly* the English working class have, to a certain extent, *shared in the benefits of the monopoly*. These benefits were very unequally parcelled out amongst them: the **privileged** minority pocketed most, but *even* the *great mass* had, at least a *temporary* share *now and then*. And that is the reason why, since the dying-out of Owenism, there has been no socialism in England. *With the break-down of that* [*industrial*]

monopoly, the English working class will lose that privileged position; it will find itself generally—*the privileged and leading minority not excepted*—on a level with its fellow-workers abroad. And that is the reason why there will be socialism again in England".[47]

Engels on English socialism

BÜRKLI, "DEMOCRATISATION OF OUR ARMY SYSTEM"

Karl *Bürkli*, "Democratisation of Our Army System", Zurich, 1897. (Lecture delivered November 15, 1896, at the Winterthur Social-Democratic Party Congress.)

He says at the very outset (p. 5) that the bourgeoisie (of Switzerland) "has only achieved an inferior version of monarchical militarism; it has incessantly striven to imitate foreign models, implant a sort of neo-Prussianism".

N.B. as early as 1896

KAUTSKY 1910 AND 1912

KAUTSKY, "THE COPENHAGEN CONGRESS"

Die Neue Zeit, 1910 (28, 2) (August 26, 1910).

K. Kautsky, "The Copenhagen Congress"

p. 776: "In a war between Germany and England, the issue will not be one of democracy. but of world domination, i.e., of exploitation of the world. That is not an issue on which Social-Democrats should side with the exploiters of their nation" (and farther on (as well as earlier) directly opposes Hyndman).

N.B.

Compare Kautsky in XXIII, 2 (on patriotism and war).*

* See pp. 617-18 of this volume.—*Ed.*

KAUTSKY, "ONCE MORE ON DISARMAMENT"

K. Kautsky, 1912 (30, 2), September 6, 1912, article "Once More on Disarmament", p. 851:

!! ha-ha!!!

"The starting point of the idea and name of imperialism—the uniting of all the component parts of British possessions into a closed giant state, an empire—this starting point has receded wholly into the background in the last few years and can be regarded practically as abandoned."

pp. 850-51: imperialism is not a "natural, necessary endeavour" of capital to expand, etc., but merely a "special method"—namely: force.

KAUTSKY ON RELIGION[48]

!!?? Kautsky on religion

K. Kautsky on ***religion***. Inter alia, p. 353: On the question of religion our propagandists must state that this question is neither raised nor answered at our party meetings, because we want to make religion a private matter of the individual, *and* we demand of the state that it *too* should treat it as such"....

[vulgarian!]

SOCIALISTS AND NEGROES IN AMERICA[49]

attitude to Negroes *N.B.*: Socialists and Negroes

The Socialist Party and the Negroes in America: *pp. 382-83*: The *Industrial Workers of the World*[50] is *for* the Negroes. The attitude of the Socialist Party is "*not quite unanimous*". A single manifesto on behalf of the Negroes in 1901. Only one!!!

Ibidem, p. 592: in the state of Mississippi, the Socialists organise the Negroes "in separate local groups"!! | *Negroes and Socialists!!*

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Engels, "On Authority"[51]. *Marx*, "Political Indifference".
Ryazanov versus Brupbacher (and his defender Mehring).
N.B. "***The Movement to Leave the Church***": a series of articles.
Die Neue Zeit, 30, 2 (1912, April-September). Articles by Kautsky land Lensch) on militia and "disarmament".
Ibidem *Grimm* on the Swiss militia.
28, 2 (K. Kautsky on the *1910 Copenhagen* Congress and "disarmament". Idem Rothstein).
29, 1: Rothstein against Hyndman.
29, 2: Quelch on the same.

BELFORT-BAX ON IMPERIALISM (1900)

Die Neue Zeit, XIX, 1 (1900-01) November 21 1900), p. 247.

Belfort-Bax, "A widespread erroneous conclusion". N.B. *1900*

"One of the most frequent errors encountered in discussing the questions of *imperialism* and *the new colonial policy* has apparently found its way into some socialist minds".... And he goes on to analyse the argument of those who *favour* colonial policy because of the progressive nature of capitalism. Bax refutes them.... ..."*Capitalist-national imperialism* is capitalism's reply to international Social-Democracy. ...World history is now at the crossroads—either *national-capitalist* **imperialism** or international-Socialist Democracy!"... | imperialism | on imperialism

...The present economic system ... (by extending to new fields of operation) ... "artificially prolongs its existence"....

Incidentally, a Bernstein-Kautsky polemic. Bernstein recalls that, back in 1896-97, Belfort-Bax was berating Bernstein, while Kautsky *supported* Bernstein. Kautsky replies: Bax at that time went so far as to say "better slavery than capitalism"—literally so—and neither then nor now have I supported Bax *on that point*, regarding his statement as "sentimental utopia". But I have always been *against* colonial policy.

cf. ***Die Neue Zeit***, XIX, 1 (1901), p. 804: *N.B. M. Beer* on the decay of Britain and on *imperialism*. ***Die Neue Zeit***, XX, 1, p. 209: "Social imperialism" (Fabians), p. 243, the "imperialist-social era".

DEBS

on Debs

Die Neue Zeit, 1913-14, 32, 1, pp. 1007-08. *Debs* in the *International Socialist Review* (1913, March) is *for* unity of the Socialist Party + the Socialist Labour Party[52] and the Industrial Workers of the World (of which Debs was a founder) against the American Federation of Labour. The New York *Volkszeitung*, March 7, 1913, comes out furiously against Debs, saying that he is abusing his "privilege to make stupid statements" (sic!), that the Industrial Workers of the World = nought, that the American Federation of Labour = "the American labour movement", and that "it is impossible to 'educate in a progressive spirit' the workers' movement by the formation of so-called revolutionary organisations with radical programmes" (sic!) .... (Obviously, in America, too, one sees the usual picture: the New York *Volkszeitung* = the orthodox, the Kautskyites, whereas *Debs* is a revolutionary, but without a clear theory, not a Marxist.)

ITALIAN AND POLISH WORKERS IN SWITZERLAND

J. Lorenz, On the Question of Italians in Switzerland, Zurich?
" " *Polish Workers in Switzerland*, Zurich, 1910.

Source references. There was a revolt of Italians in Zurich, July 26-29, 1896.

Their numbers: 1860— 9,000
1870— 18,000
1900—117,000

Appalling poverty. For example: *fifty people* living in three rooms!! (p. 16). Bunks, plank beds, and charging 10-20 centimes a night, etc.

in 1910—400 persons. Appalling poverty.
Payment 1.50-1.60 frs. per day with board.
"Beatings" also occur (p. 11).

{ cf. the same author in *Neues Leben* 1916, 1 }

THE LABOUR MOVEMENT IN CANADA

The labour movement in Canada ("**bourgeoisified**")

..."The skilled, and especially the English-speaking, part of the *working class is completely bourgeoisified*. Its conception of trade unionism is still wholly that of the old, narrow-minded English trade unions. Besides, spiritually they are still completely in the grip of the church. To be regarded as an 'apostate' is the deepest shame, 'respectability' is the highest honour." This is beginning to change: a spirit, of discontent ... rising living costs. "Today forty-two men actually control more than a third of the country's total wealth".... The petty bourgeoisie,

labour movement *in Canada* (bourgeoisified)

42 men ... one-third of all wealth

especially in agriculture, is against the trusts. (*Die Neue Zeit*, 1913-14, 32, 1, p. 382, a paraphrase of an article by Gustav Meyer: "Agrarian Discontent in Canada" from *The New Review*, *1913*, September.)

South Africa

Ibidem, p. *384* on South Africa (the Rand). Workers consist of Chinese, Kaffirs and whites (ruined by the Boer War). Endless tyranny by the British capitalists, the mine owners and the government. Little by little a class struggle of *all* the wage workers is developing, but slowly "owing largely to the hesitant attitude of the conservative and narrow-minded labour leaders, who are still wholly in thrall to the old trade unionism" (from the *International Socialist Review*, 1913, October, paraphrase).

"labour leaders" narrow-minded, conservative old trade unions officials

LISSAGARAY, *HISTORY OF THE 1871 COMMUNE*

N.B.

Lissagaray, *History of the Commune*, 1894, p. 193 (epigraph, Chapter 17): "If the French nation consisted only of women, what a terrifying nation that would be." *The Daily News*, May 1871.

New Swiss army law passed November 3, 1907: +329,953 —267,605

MONOPOLY AND TECHNIQUE

N.B.

Trusts, *monopoly and technique*: "This technical progress, which alone can guarantee the continued ability to export is, however, *hindered rather than promoted by monopoly* formations" (*Die Neue Zeit*, 32,

1, 1913-14, p. 383, a paraphrase of an article by Louis C. Fraina. "Concentration, Monopoly, Competition: a New Trend in the National Economy", in *The New Review* (New York) (1913, September)). N.B.

LENSCH, *SOCIAL-DEMOCRACY, ITS END AND ITS SUCCESSES*

P. Lensch, *Social-Democracy, Its End and Its Successes*, Leipzig (Hirzel), 1916 (preface May 22, 1916).

Pp. 11-12. Marx, he says, had only "derision" for such "well-intentioned conceptions" as disarmament, "the right of nations to self-determination*", etc. (p. 41: "old petty-bourgeois dogmatism") !

p. 15—since the nineties Social-Democracy has been "gradually discarding of everything of a sectarian nature"... (hopes of a millennium, and so forth have been dropped, etc.).... "sect"

Everything was judged from an "agitational" standpoint (17) ... German Social-Democracy's "period of enthusiasm" ... (as early as 1889, the decision about May Day).

Growth of *imperialism*—close of the nineteenth century—of Great Britain, France, and also Germany (26-27)....

Growth of revisionism: both trends (revisionism and radicalism) were necessary and useful (31-35).... ha-ha!!

Marx and Engels were not "petty-bourgeois sentimentalists": "They knew that in war there would be shooting" (39).... *62-68*. We should have voted against war credits on August 4 (in point of fact it would have been all the same), but for war credits on December 2, 1914—for it was the French and British who went back on internationalism. [The swindler!!]

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* In the manuscript, the words "right to self-determination" are joined by an arrow to the subsequent addition "(p. 41: 'old petty-bourgeois dogmatism')".—*Ed.*

That would have diminished international hatred of the Germans and so strengthened their *national* cause: 69-70.

What a swindler!!!

ha-ha!!! "The collapse of the International" (Chapter 3) was due to the fact that the French and British came out *for* war (sic!!).

sic! Of course, there will be a Third International, only "less utopian" (112) and more conscious of its "economic basis"....

sic! "The more mature a proletariat, the more active it has been in the war" (113)—this proposition of Renner's, he says, is "not valid", for their behaviour in Britain and France is due not to "maturity", but to the struggle for world domination against Germany.

The British workers were defending their (monopoly) exceptional position and their privileges (114-15)....

The aristocratic upper stratum (115) of the British proletariat.

ha-ha! So long as there are exploiter-nations, so long as there is no "equilibrium" of the "powers" (116), it is "too early" to speak of the international solidarity of the working class (117)....

And the "catalogue of pious wishes" (the right to self-determination (petty-bourgeois, etc.), against annexations, etc.) is abstract, takes no account of the concrete (121) aim of the war—to smash the "class domination" (114) (+122) of Great Britain, her monopoly (122), her "exceptional position" (120)....

clown! A "*revolution*" (123 and preface), that is what the present war is!! "*The rise of this*" (proletarian) "*class is taking place, it is true, amid the thunder of a revolutionary world war, but without the lightning of a revolutionary civil war*"... (124) (author's italics).

"The shattering of British world domination"=revolution.

submarines and Zeppelins (125)... "the beginning of the end" of Britain's ruling position (126) (their role will be still greater after the war)

131—In the last 34 decades of the nineteenth century, Great Britain added to her colonies 15 million sq. km., an additional 15 million

cf. my figures *

N.B. N.B. Britain + France + Russia= "a syndicate for dividing up the world" (132 and elsewhere) with the aim: "weltpolitisch aushungern" Germany** (132) *ha-ha* expression

175: Almost half of the British working class do not have the franchise.

The "principle of organisation"—such is the essence of Prussian history, and the source of Germany's strength. She is nearest of all to "*social revolution*" (184), she embodies the "revolutionary principle". Britain—the "reactionary". !!!

186: "Symbolic visit to Berlin trade union headquarters"... (the government appreciates the role of the trade unions). (All praise for the trade union leaders) (185-86).

188: I called this "*w a r s o c i a l i s m*", and the term has acquired "international legitimacy".

195: New expenditure (4,000 million per annum) after the war will inevitably lead to socialisation and monopolies.

198: "Democratisation of the army system"—from this... ="arming of the people" (204)=the meaning "of our Social-Democratic" programme....

209-10—The minority in the German Party is reactionary in the historical sense, and hence its fate is: "impossibilism and sectarian prattle".

* See p. 253 of this volume.—Ed.

** An untranslatable expression. Literally, "to starve Germany in relation to world politics", i.e., deprive her of all possibility of pursuing a world policy.—*Ed.*

The Social-Democratic Party will henceforward be less narrow; the "intellectuals" and even the officers will return to it (212).

The state will recognise the need for the Party and will allow Social-Democrats to be officers (!!).

N.B. Social-Democracy, which has "uplifted" the workers has raised them *nationally* (215 in fine) ("national upsurge")

(="the Social-Democrats are the most national of all parties") (216).

Sophistry instead of dialectics

Everywhere there is play with the catchword "dialectics", used in very banal sense. Not the slightest attempt to see the whole picture. One thing alone is *brought out* **sophistically:** British world domination must be undermined.

PERRIN DE BOUSSAC, *ON THE COLONIAL ARMY* AND *LABOUR BIBLIOGRAPHY*

Perrin de Boussac, *On the Colonial Army*, Thesis. Paris, 1901. Nil. School-boyish. Quotes *de Lanessan*, *Principles of Colonisation*—the role of the colonial army soldier as coloniser, farmer, land**owner**, etc. ((*N.B.* the *prospect* of a soldier of the colonial army becoming a colonial landowner!!))

N.B. *N.B.* N.B. *Labour Bibliography*, 1913. Boston. 1914: 150 pp. of a very *detailed* and fine bibliography.

CHEMNITZ *VOLKSSTIMME*

"BETRAYAL OF THE PARTY IS BETRAYAL OF THE NATION"

N.B. valuable admissions

Volksstimme (Chemnitz) No. 156 (Supplement I), July 8, 1916.

Article: "*Betrayal of the Party Is Betrayal of the Nation.*"

"For several months now, *numerous anonymous leaflets* have been making charges against the elected and well-tried leaders of the Party and trade unions in all manner of tones, including the use of the word '*dog*'. The charge laid against them is that in the great crisis of world history, the visible climax of which, for the Party's policy, was August 4, 1914, they sold and betrayed the proletariat. At first, this was dismissed with laughter. But the more the terrible gravity of the war made itself felt in terms of casualties and the increasing scarcity of food, and the less prospect there was of peace, owing to the enemy's persistent efforts to realise his plans of annihilation, more and more people were prepared to believe this insulting charge."

"more and more"

The use of the word "dog"—an obvious allusion to a leaflet which said that the social-imperialists ought to be treated with a "dog-whip"!

"To what end people like Scheidemann, David and Landsberg are supposed to have betrayed the proletariat, for what reward, has not been vouchsafed to us".... Not for posts in the Party: "refusal to vote for war credits involves no danger to life".... And *wherein* lies the betrayal is still less clear, for it is claimed that it follows from their convictions, their appraisal of the facts.... "In that case, the charge of betrayal has no meaning whatever."

"But for the Party it is extremely dangerous. One can doubt and dispute as to what the Party membership thinks. But there can be *no* doubt that today, too, at least three-quarters of those whom in the tranquil time of peace the proletariat chose as leaders because of their services, still consider that voting for the war credits was correct and necessary. Hence, over 90 of the 110 Social-Democrat Reichstag depu-

ties are supposed to have committed a betrayal on August 4, and over three-quarters of the leaders and Party functionaries are committing it even today. If this were true, the most sensible thing would be to let the Party commit suicide and to encoffin and inter it as quickly as possible. For if, after fifty years of organisational work, the proletariat has as its leaders men, practically all of whom are traitors, that would be overwhelming, irrefutable proof that the proletariat is politically quite incapable and will always be fooled. What other conclusion could there be? One could sack all the old leaders and elect entirely new ones, but there would be no guarantee that in the next big crisis the new leaders would not once again commit treachery"…. For many extreme radicals were for August 4 (Pfannkuch, Ebert, etc.)…. "Consequently, what guarantee could we give the workers that if these men are traitors, every one of their successors, too, would not finally end up as a traitor?"

N.B.

cf. Martov!!

sic!!

Now the anonymous leaflets have gone to the length of calling for a strike in the munitions industry. That=high treason.

"It goes without saying that this idea of a mass strike will not have the slightest practical effect among the fanatically nationalist French or the haughty British"….

cf. Martov in *Investia*, etc.

The persons responsible are clearly not Social-Democrats, but either *madmen* or *Anglo-Russian stooges*…. This behaviour is so "devoid of honour and patriotism" that we can never have anything in common with such people, and so forth.

LEIPZIGER VOLKSZEITUNG[53]

Leipziger Volkszeitung, July 10, 1916.

PARTY AFFAIRS

"Betrayal of the Party Is Betrayal of the Nation"

That is how the Chemnitz *Volksstimme* heads an article in which it reacts violently to the charge of Party betrayal levelled "in numerous anonymous leaflets against the elected and well-tried leaders of the Party and trade unions in all manner of tones, including the use of the word 'dog'".

This defence is followed by attack. The second part of the article speaks of "high treason". It reads as follows:

"Meanwhile, the anonymous leaflet literature has led to outright high treason. We are not, of course, referring to Karl Liebknecht, whom a military tribunal, using legalistic deductions, is seeking to punish for attempted military betrayal, but whose behaviour at any rate has nothing whatever to do with high treason, as understood among the people. We refer to acts of high treason that cannot be discounted by any twisting of words. The *Hamburger Echo* reports that a leaflet now being distributed in working-class circles by unknown means *calls* for a *general* strike in *the munitions industry*.* Under the slogan 'Down with the War!' it urges a 'new mode of action', and the examples it cites unmistakably show that this means a mass strike. And so, while the enemy is attacking with the utmost fury, showering German soldiers with a hail of iron, they want to deprive the German artillery of shells; without its help the German infantry, the German proletarians in the army, are to be allowed to be slaughtered by enemy shells. It goes without saying that this idea of a mass strike will not have the slightest practical effect among the fanatically nationalist French or the haughty British.

"This propaganda, therefore, is outright high treason, betrayal of our class comrades in the army, and we should like to know what our comrades at the front will say about such craziness.

"We are firmly convinced that the German working class, too, will give a fitting answer to these individuals who come before them with such claims. The leaflets are, as we have said, anonymous; we do not know whether they have been put out by madmen or by Anglo-Russian stooges. They certainly could not have been put out by Social-Democrats. Anyone who allowed himself to support such propaganda, if only by passivity, would thereby forever cease to be part of the German Social-Democratic movement. For this propaganda is devoid of honour and patriotism, and we cannot, of course, have anything in common with a person who sinks so low.

"But the mere possibility of such an occurrence is enough to show what this anonymous leaflet literature can lead to. It began with

* The italics here and below are the author's.—*Ed.*

the most foul invective, for which the authors did not dare to admit responsibility before their Party comrades, and has now sunk to this provocateur activity. First there were cries of betrayal of the Party and now we have outright high treason! It is high time we got rid of it, once and for all. Anyone who has anything to say should have the courage to speak out on his own responsibility. Or perhaps, at a time when hundreds of thousands are sacrificing their lives for their cause, these people are too cowardly to risk being prosecuted. In any case, anonymity will not protect the *distributors* of the anonymous leaflets; if they are caught they must, of course, expect the most severe punishment.

"The dangers of this anonymous propaganda have now become fully clear. No distinction can be drawn between honest error and vile treason that is probably paid for with foreign money. Party comrades are, therefore, warned to put a final stop to these anonymous leaflets. They are a cloak for men who would plunge the German people, and above all the German proletariat, into calamity. Be on guard against provocateurs!"

We consider it necessary to reproduce these statements in order to show our readers what the *Hamburger Echo* and the Chemnitz *Volksstimme* regard as the task of the day. If these two newspapers were to attack the distributors on the issues posed by the leaflets, that would be their legitimate right. But if they raise an outcry against the propaganda as being high treason, that is a *denunciation* which deserves to be appraised by the working class at its true worth.

Moreover, as regards the issues involved, this accusation is completely unjustified, because, to the best of our knowledge, the leaflets suggest strike action only as a means of clearly expressing working-class demands on vital and pressing issues. There is no mention whatever of the purpose the *Hamburger Echo* and the Chemnitz *Volksstimme* ascribe to them.

MARX ON FRANCE'S WAR FOR FREEDOM (JANUARY 1871), ON IRELAND, AND ON THE COMING WAR (1874)

Marx on the war of 1870:

In the First Address of the International (July 23, 1870), Marx quotes a resolution adopted in Chemnitz by delegates representing 50,000 workers, who declared the war to be "exclusively dynastic" (p. 18, 3rd edition of *The Civil War*).

[*Ibidem*, pp. *17-18*: *for the Germans*, *it is a war of defence*.]

The Second Address (September 9, 1870) states: "The war of defence ended ... in the proclamation of the Republic"....

(p. 19) "The French working class ... under circumstances of extreme difficulty ... must not allow themselves to be deluded by the national souvenirs of 1792" ... "any attempt at upsetting the new government ... would be a desperate folly".... "Let them calmly and resolutely improve the opportunities of Republican liberty for the work of their own class organisation"[54] (p. 25). N.B.

Letter of December 13, 1870: "However the war may end, it has given the French proletariat practice in arms" [Notebook: "*Marxism on the State*", p. 2, margin[55]].

An article in *The Daily News*, January 16, 1871: "France is fighting not only for her own national independence, but also for the liberty of Germany and Europe."[56]

Letter of April 12, 1871: enthusiasm over the "historic initiative" of the Parisian workers, etc. (Notebook: "*Marxism on the State*", p. 12).[57] *The Civil War in France*: May 30, 1871.

Marx in a letter to Kugelmann of February 14, 1871 (*Die Neue Zeit*, XX, 2, p. 608) quotes a letter published by him in *The Daily News*, *January 16, 1871*, which ends as follows: "France—and her cause is fortunately far from being desperate—fights at this moment not only for her own national independence, but also for the liberty of Germany and Europe"[58].

France in January 1871 fights both for her national independence and for the liberty of Germany and Europe....

Same source; in a letter of March 28, 1870, Marx quotes his complaints against Bakunin and the text of the General Council's resolution of January 1, 1870, which sets out, inter alia, the General Council's attitude to the *Irish* question:

..."The General Council's resolution on the Irish amnesty serve only as an introduction to other resolutions which will affirm that, quite apart from international justice, it is a pre-condition to the emancipation of the English working class to transform the present forced union—i.e., the enslavement

Marx on Ireland (1870)

of Ireland—into an equal and free federation if possible, into complete separation if need be"[59] (p. 478).—

(1874) *Same Source*, p. 800: letter of May 18, 1874.[60]

..."All diplomatic moves notwithstanding, a new war—sooner or later—is inevitable, and until it is over it is hardly likely that the position will anywhere develop into a powerful popular movement, or, at most, it will be of a local and minor character."

ULBRICHT, NATIONALITY AND IMPERIALISM

Edmund Ulbricht, *World Power and the National State*. (A political history, **1500-1815.**) Revised and published by Gustav *Rosenhagen*, Leipzig, 1910 (668 pp.).

In the text, repeated mention of "**imperialist** plans", etc.

Only 2½ pages, 666-68, are devoted to the period after 1815: "Retrospect and Prospect".

"Liberation wars also consummate the world-historical struggle for maritime and trade supremacy: the result—England's mastery of the seas.

"But the era of revolution and wars of liberation signify also the beginning of new developments. The revolution shattered the old feudal system of France and thereby gave an impulse to the transformation of the social order and the state; it was only with the help of the peoples that the other European states were finally able to maintain themselves against the forces the revolution had brought to life in France. Of all the ideas of the revolution, none proved more effective, from the very outset, than the national idea. Under the oppression of cruel foreign rule and in heroic struggle against it, the other European peoples also became conscious of the inner connection between state and nation. In the eighteenth century the big states rose to defend the independence

N.B.

of Europe and its equilibrium against the excessive power of a single state; now the peoples themselves have been rejuvenated and revitalised by the influx of new forces from the depths. The national idea becomes the crux and aim of almost all wars of the nineteenth century. N.B.

"Naturally, the peoples' increased consciousness of their strength was bound to make itself felt also in their own states. The masses began to demand a share in the administration of the state.

"The French revolution, Napoleon's world domination and the liberation wars made national feeling and the urge for political freedom invincible forces of recent history. National tendencies were interwoven and fused with the liberal and democratic ideas born of the age of enlightenment to produce the theory of the sovereignty of the people. According to this theory, statehood should be based on the undivided nation, and in such a way that the supreme will and supreme power are invested in the nation, and that only from its right is the right of the head of state derived" (667).

This theory threatened both the monarchies and their national composition; the Restoration was opposed to these ideas....

The nineteenth century as a whole, however, signified an advance towards political freedom and nationality.

"But that did not relegate to the background the competitive trade and political struggles, which have increasingly influenced the history of the nations ever since the epoch of early money economy and the great discoveries. True, at first Britain enjoyed absolute trade supremacy, and using that power and the doctrine of free trade, she overcame the era of economic struggles which mercantilism had brought with it. With the help of this doctrine which, like political liberalism, stems from the age of enlightenment, Britain conquered the world and won the battle for international free trade and intercourse. The economically weaker states submitted to this system for a time; even the youngest of the European national great powers—Italy and Germany—could not isolate themselves from the new doctrine.

"Then, however, the United States of America, after overcoming a severe internal crisis, emerged as a new, powerful competitor in the trade and political arena. A new era of economic struggles has begun, in which there has been a return to the policy of safeguarding national labour by protective tariffs and trade treaties, but without lapsing into the crude mercantilist policy of force. In this the United States has been followed by the French Third Republic and, since 1880, by the new German Empire as well. With the conclusion of the struggles for liberal and national state systems, and with the structure of the constitutional state completed, efforts are made to assure maximum scope for the enhanced power of the nation. In the colonial race, the Great Powers seek to acquire territories as markets for their goods and sources of essential raw materials. Their incessant diplomatic activity aims at opening up new trade areas for their industrious peoples. These expansion efforts, however, are accompanied by a growing urge for economic autarchy. Britain wants to form, with her colonial possessions, a uniform closed trading area, a Greater Britain. America strives for economic self-sufficiency, she wants to make herself independent of the Old World in regard to trade and industry. International rivalry for world power and world trade, in the proper sense of the word, has only just begun. It is leading to the rise of *several world empires* existing side by side, and **their policy**, if indeed they want to maintain themselves, **must be imperialism**.

ha-ha!!

N.B.

N.B.
N.B.

"imperialism"

"The name and concept of the *new imperialism* are derived neither from the Roman Empire nor from the medieval empire and Papacy; it is no longer a question of the world rule of a single power. Colonial expansion, participation in world trade, protection of overseas interests by means of powerful navies—these, from the example of the British Empire, have become the characteristic features of modern world powers. Such powers are quite capable I of existing side by side and of promoting the progress of mankind through peaceful competition between the nations" (667-68). (End of the book.)

"new imperialism"

"*characteristic features*"

ha-ha!!

N.B. *Old and new imperialism*

From the *Introduction*, p. XXIII: "*The old imperialism* went to its grave in the loneliness of St. Helena; its last representative died with Bonaparte, and this man of great deeds was still surrounded by the romantic glitter of a past imperial magnificence. A new period begins; its basis is the national idea, which proves stronger than the reactionary aspirations of the princes and statesmen of the first decades after Napoleon's downfall. What the sixteenth century began was completed by the nineteenth century, when the two nations of Central Europe, Italy and Germany, which for centuries had been a sphere of exploitation by foreign powers, at last achieved national unification. *On such a national basis*, however, the possibility arises of a *new*

"the old imperialism is dead"

N.B. "new world policy" N.B. "new imperialism"

world policy. ***The term imperialism acquires a new life and a new content.*** **Britain**, the never-conquered opponent of Napoleon, had already laid the basis for this in the eighteenth century when, unconsciously rather than consciously, by the acquisition of overseas colonies and the maintenance of a powerful navy, she founded a *new world empire* outside Europe. *She is now being followed by the other world powers*: economic necessity drives all the *nations of the world* to economic rivalry."

The book is divided into three sections.

"Section I: End of the medieval world empire and the emergence of national states in the epoch of the Reformation and Counter-Reformation, 1500-1648.

"Section II: Formation of the five Great Powers of Europe in the epoch of princely absolutism.

"Section III: Emergence and decline of the new world power, France, and struggle of the powers for national independence, 1789-1815."

My addition: ("stages") of the epoch
Ergo. 1500-1789 = 289 years
1789-1871 = 82 years
1871-1914 = 43 years

The chief factors

Section I:

Emergence of the "Spanish national state" (p. 24 et seq.) and then "founding of the Spanish-Habsburg world power" (p. 51 et seq.).

Charles V in the struggle for world supremacy (the German Reformation), 1517-1555.

The national kingdom in Denmark and Sweden (p. 148 et seq.).... "Subjection of Estland to Sweden", etc.

The development of Poland into a Great Power (163 et seq.) ... the Polish-Swedish union ... Poland and the struggle for Russia.

Beginning of the struggle with Spain. The Dutch "war of liberation" and the "secession of the Netherlands from Spain". The Armada 1588. Result of the struggle: "Rise of France, Britain and the Netherlands. Decline of Spain" (233 et seq.).

The Thirty Years' War, the period 1616-1659: "Spanish-Habsburg Catholic world policy in the struggle against German protestantism, against Denmark and Sweden against France and Britain" (273 et seq.).

(Including the alliance of Britain, Holland and Denmark against Austria.

The Swedes near Vienna. Sweden in a war against France, etc.).

Revolution in Britain, seventeenth century.

Section II:

Completion of the French national state" (Richelieu) and the "rise of France to dominance in Europe". 1661-1685.

Restoration of European equilibrium (War of the Spanish Succession); the rise of England, Austria, Russia and Prussia.

Russia's struggle against Sweden (and against Poland)....

"Sweden at war with Denmark, Poland, Brandenburg, Austria and the Netherlands" (1655-1660).

Austria's struggle against Turkey (seventeenth century).

Wars of the Great Powers (1740-1789).

The Seven Years' War (1758-1762) ("colonial war" of England and France).

The United States War of Independence (in alliance with France, Spain and Holland).

"Imperialist plans of Joseph II and Catherine II. The end of Poland."

Section III:

Wars against the French Revolution.

First Coalition War (1792-97).

Second " " (1799-1801/2).

Anglo-French War (1793-1799).
Napoleon's war against Prussia and "Napoleon's plans of world domination". (Collapse, 1812.)
"The Liberation Wars, 1813-15."

Poland prior to 1660 (as given in a historical atlas):
Under the Lublin Union—1569—*Poland* possessed the Baltic coast with Danzig, Courland, Lifland with Riga (ceded to Sweden under the *Oliva* peace of 1660), the Ukraine with Kiev, Poltava and Chernigov, Podolia, Volhynia, etc., Byelorussia with Smolensk.

(Ceded Smolensk, Kiev, Chernigov, Poltava, etc., to Russia under the Andrusovo Peace of 1667.) { Partition of Poland: First 1772 Third 1795 }

South **America** entirely free now except for the three Guianas:

{ Spanish, Portuguese and Dutch in the 16-17th centuries } British (1781) Dutch (1667) French (1674)

North America 1783. 13 states independent of England.

Louisiana (now a number of states): Mississippi basin	Spanish	1763		
	French	1802	British	1763
	United States	1803	United States	1783.

Mexico and Central America: Spanish
(Mexico, a republic since 1810)

Turkey: Empire of the Osmans under Mohammed IV (1648-1687) almost up to Vienna:
Austria, Rumania, Crimea, Caucasus,
the entire Balkan peninsula, etc.

Serbia { Hungarian since 1718 / Turkish since 1739 } a monarchy since 1817

Sweden until (before) 1719 (from the middle of the 17th century) possessed also Finland Ingermanland (St. Petersburg).

(Norway since 1815 belonged to Sweden) Estland
Lifland
part of Germany (western Pomerania (Stettin) + Bremen)

United States. War of Independence 1775-1783

1778—treaty of friendship with *France*
1779—treaty of friendship with *Spain*

1781—the English defeated by Franco-American troops

In 1763 Canada was ceded by France to England

Independence of the 13 states proclaimed July 4, 1776.

End of the war, September 3, 1783: Versailles Peace. Under it Spain, America's war ally, receives back Florida.

Florida joined the United States of America only in 1819.

Portugal was Spanish from 1580 to 1640

Holland: seceded from Spain in 1581

1796 Belgium belongs to France
Holland = Batavian Republic
1814-1831 Belgium belongs to Holland

"EPOCHS" OF MODERN HISTORY

On the question of the epochs of modern history cf. also **P. Herre**, *Sources of World History*, Leipzig, *1910*, which sets out, along with *literature references*, the usual division into epochs and cites, inter alia, the following "*e p o c h s*": "The *e p o c h s* of the medieval idea of world domination" (circa 800 to

N.B. "epochs" of modern history

circa 1250).—"The epoch of the emergence of national states" (circa 1250 to circa 1500).... "The epoch of the formation and development of national constitutional states" (circa 1789 to circa 1870).... "The *epoch of world states and world economy*" ("circa 1870 to circa 1910").

DER KAMPF MAGAZINE

ADLER AND RENNER

Der Kampf, 1916, No. 2. In an article "War Aims" (against annexations), Fr. Adler quotes from *Süddeutsche Monatshefte their* statement[61]:

clear! "The states which make up the world today, are states based on power. But their power lies in land, people and property".... "They (the soldiers) expect 'real guarantees': they expect land, people and property"...

and for a parallel, the Constitution of *1791*, article VI:

The French Constitution of 1791 on national *wars*

"The French nation will never wage a war of conquest and will never use its forces against the liberty of any people"...

and the Constitution of *1848*: "The French Republic respects foreign nationalities just as it counts on respect of its own. It will never wage a war of conquest and will never use its forces against the liberty of any people"....

My addition:
texts of the French Constitutions of 1791, 1793, etc., see in **F. Helie**, *The Constitutions of France*

Renner on Trotsky

ha-ha!! Ibidem, *No. 1*: in an article "Reality or Lunatic Idea", p. 17, *K. Renner* calls Trotsky "a very close friend of Hilferding".

From his arguments *in favour of* an alliance of Germany and Austria-Hungary: "Were there *only* two big economic systems in the world, it would be easier for us Social-Democrats to demolish the last great partition wall, much easier than today, when we are in a confusing labyrinth and for that very reason have such a hard time finding our way. Let the whole world take the path of alliance, so much the better for us—the closer shall we come to the final goal" (19-20).

typical!!

(p. 16: "The movement for a so-called Central Europe is still basically a bourgeois movement and of that I shall speak first of all").

N.B. cf. Central Europe and a United States of Europe

We and they:

1) Renner, *Sozialistische Monatshefte*, *Die Glocke* & Co. = lackeys of the imperialist bourgeoisie
2) Kautsky, Hilferding & Co. (+ a very close friend = Trotsky) = persuaders of the imperialist bourgeoisie
   counsellors and reformers of the imperialist bourgeoisie.[62]
3) the Lefts = revolutionary fighters *against* the imperialist bourgeoisie.

HILFERDING (KAUTSKYITE VIEWS)

Der Kampf, 1916, No. 2, pp. 59-60.

Hilferding advances Kautsky's usual argument that world economic ties militate *against* isolation, that the greatest increase in the British colonies' imports and exports

predatory tricks of finance capital

(1899-1913) has not been in trade with Great Britain (p. 57): "Germany has been spared the expense of acquiring and administering colonies, but as soon as her capitalist development allowed, she derived the same advantages as Britain from their productive capacity. There can be no question of the colonies being monopolised for Britain" ... (the same as Britain—is flatly untrue: railways, concessions, export of capital. Germany has outstripped Britain *in spite of* the latter's colonies. Without colonies, Britain would probably be still more behindhand. That, in the first place. And, in the second place, finance capital in Britain has *to a greater extent* "rested on its laurels". *Now German finance capital, too*, wants to do so).

the main thing:

"The distinguishing feature of imperialist policy is that it seeks to settle problems of economic competition by the exercise of state power in the interests of the capitalist stratum controlling the state. By protective tariff walls it ensures exploitation of the home market for its cartels. By its policy of colonies and spheres of influence it seeks to reserve parts of the world market as a monopoly for its capitalist class, and by economic and political means of compulsion it seeks to convert smaller countries into spheres of exploitation for its capital. That brings it into ever-increasing contradiction with the imperialist policy of other states. Hence, the striving to increase state power, the intensified armaments race on land and sea. It was this policy that led to the catastrophe. And the peoples are now faced with the alternative: will they (!!!) continue this policy after the war, or do they intend to break with it? Continuation of the insep-

N.B. "**they**"

arable protective-tariff, colonial and armaments policies, or a break with power policy!" (59-60).— N.B.

> We must first of all take *power* in our *own* hands and not talk vainly about "power".

"It is not a question of merely regulating trade relations, but of the power policy that seeks to secure a monopoly position for one's own capital at the expense of others, the policy from which the danger of war arose. That was the situation before the war. But does that mean that we are to be reconciled to it and not oppose by every means the continuation of this policy, and at a much higher level? We are of the contrary opinion: because we have seen what this monopolist power policy leads to, we must oppose its continuation and extension by every means" (61). N.B. N.B.

ENGELS AND MARX ON THE ENGLISH WORKERS

Engels, The Condition of the Working Class in England, second edition, 1892.

p. xx. An "aristocracy among the working class"—a "privileged minority of the workers" in contrast to the "great mass of the working people" (from the article of March 1, 1885). N.B.

The competition of other countries shattered England's "industrial monopoly" (xxi). N.B.

"A small privileged, protected minority" (xxii) (of the working class)—was alone "permanently benefited" in 1848-68, whereas "the great bulk of them experienced at best but a temporary improvement". S S

(See *p. 14* of this Notebook*)

p. xxiv: the growth of the "new unionism", of unions of *unskilled* workers:

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* See p. 588 of this volume.—*Ed.*

N.B. "They [these new unionists] had this immense advantage, that their minds were virgin soil, entirely free from the inherited 'respectable' bourgeois prejudices which hampered the brains of the better situated 'old' unionists."

And on the elections of 1892:

N.B. "Among the former so-called workers' representatives, that is, those people who are forgiven their being members of the working class because they themselves would like to drown their quality of being workers in the ocean of their liberalism, Henry Broadhurst, the most important representative of the old unionism, was completely snowed under because he came out against the eight-hour day".

After 1847: "Both these circumstances [1) the death of Chartism; 2) industrial prosperity] had turned the English working class, politically, into the tail of the 'great Liberal Party', the party led by the manufacturers" (xvii).[63]

Correspondence with *Sorge*.

Marx on the leaders of the English workers:

Fr. Engels to Sorge (September 21, 1872): ..."Hales kicked up a big row in the Federal Council and secured a vote of censure on Marx for saying that the English labour leaders had sold themselves—but one of the English sections here and an Irish section have already protested and said that Marx was right"....

Engels to Sorge, October 5, 1872: "Hales has begun here a gigantic war of calumny against Marx and myself, but it is already turning against Hales himself.... The excuse was Marx's statement regarding the corruption of the English labour leaders"....

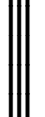
Marx to Sorge, April 4, 1874[64]: ... "As to the urban workers here [in England], it is a pity that the whole pack of leaders did not get into Parliament. This would be the surest way of getting rid of the whole lot"....

cf. here 40-41* still stronger

see the continuation p. 36**:

K. Marx to Kugelmann, May 18, 1874:

"In England at the moment only the rural labour movement shows any advance; the industrial workers have first of all to get rid of their present leaders. When I denounced these fellows at the Hague Congress, I knew that I was letting myself in for unpopularity, calumny, etc. But such consequences have always been a matter of indifference to me. Here and there it is beginning to be realised that in making that denunciation I was only doing my duty". (*Die Neue Zeit*, XX, 2, 1901-02, p. 800.)



Jaeckh, *The International*, p. 191: Marx said in The Hague: "It is only an honour if someone in England is not a recognised labour leader; for every 'recognised labour leader' in London is in the pay of Gladstone, Morley, Dilke and Co."....

(the Hague Congress, September 1872)

on the same subject, cf. *Jäckh* in *Die Neue Zeit*, XXIII, 2, p. 28.

KAUTSKY, "PATRIOTISM, WAR, AND SOCIAL-DEMOCRACY"

K. Kautsky, "*Patriotism, War and Social-Democracy*" (*Die Neue Zeit*, XXIII, 2; 1905).

A soldiers' strike = "heroic *folly*" (370), as are also the "attempts" of bourgeois pacifists to abolish war by arbitration. Both follies "arise from the mistake of regarding war as an isolated fact".

* See pp. 625-26 of this volume.—*Ed.*

** Extracts from Engels's correspondence with Sorge are on pp. 36 and 37 of the Notebook (see p. 621 of this volume).—*Ed.*

But war threatens catastrophe: "However, the catastrophe that leads to the most complete collapse is defeat in a frivolous war" (371).

The proletariat is "today hardly anywhere strong enough" to make war impossible before its outbreak by means of revolution (and a soldiers' strike *is* revolution). "But in all capitalist countries it is already strong enough to ensure that every fruitless war entailing great losses be made the starting point of a revolution which establishes a proletarian regime" (371).

BAUER, *THE NATIONAL QUESTION AND SOCIAL-DEMOCRACY*

Otto Bauer, *The National Question and Social-Democracy*, St. Petersburg, 1909.

From §30: "Socialism and the Nationality Principle."

p. 534: ..."The socialist community will never be able to include whole nations within its make-up by force. Imagine the masses of the people, enjoying all the blessings of their national culture, taking a full and active part in legislation and administration, and, finally, supplied with arms—would it be possible to subordinate such a nation to the rule of an alien social organism by force? All state power rests on the force of arms. The present-day people's army, thanks to its ingenious mechanism, still constitutes a tool in the hands of a definite person, family or class, exactly like the knightly or mercenary army of the past. The army of the democratic community of a socialist society is nothing but the people armed, since it consists of highly cultured persons, working without compulsion in socialised workshops and taking full part in all spheres of political life. Under such conditions, any possibility of rule by a foreign nation disappears" (534).

N.B. **such** conditions

A United States of Europe is "not an empty dream", but the "inevitable end of the road on which the nations set foot long ago" (542).

If a socialist Germany wanted to send part of her work people to the Ukraine, she would not do so "without guaranteeing them their cultural independence" (543) ... (the end of §30).

In §9: "**Imperialism and the Nationality Principle**" (512-29 of the Russian translation), the author quotes Schulze-Gaevernitz on *British imperialism*, points to the disintegration of Turkey, to Italy's attempt to seize Albania: "Allusions will be made to Trento and Trieste, while having Albania in mind" (519). "In this way a predatory imperialist war can be presented to the mass of the Italian nation as a war for national freedom" (519)....

Baghdad, Russia in Persia, etc.—"such are the seeds and elements of those future conflicts" (518)....

In the same way "British imperialism unfolds before the mass of voters a seductive picture of an empire of 400 million people under the rule of the single British nation, while having in mind the monopoly profits of the iron and steel magnates and speculation on the London Stock Exchange".... "At some time Russian imperialism will probably proclaim the freedom and unity of Poland and the Ukraine in order to open new markets to the St. Petersburg, Moscow and Lodz manufacturers" ... "and German imperialism, too, will have to proclaim itself successor to the Greater Germany idea of 1848, and inscribe on its banner the realisation of the single Greater German fatherland, while having in mind the sacrifice of German workers and peasants to safeguard capitalist interests on the Tigris and Euphrates" (522-23).... N.B.

"The destruction of Austria within capitalist society can only be the work of imperialism" (528)....

"The disintegration of Austria presupposes the triumph of imperialism in Germany, Russia and Italy. But the triumph of imperialism implies the defeat of the working class in these countries" (527). The Austrian workers should not pin their hopes on the triumph of imperialism....

GRUMBACH, *THE MISTAKE OF ZIMMERWALD-KIENTHAL*

S. Grumbach. *The Mistake of Zimmerwald-Kienthal*, Berne, 1916 (95 pp.) (banal remarks of a social-chauvinist).

! p. 24: ..."Though on August 4, 1914, he (Kautsky) did not clearly understand the situation, he nevertheless remains for us (!!!) and the socialists of all countries one of the leading theoreticians of the International"....

p. 26 ..."The general equalisation preached by Zimmerwald and Kienthal"....

—p. *40*—The German Social-Democrats did not respond to the Vaillant-Keir Hardie *proposal*, and in spite of their promise did not discuss it at Chemnitz (1913) (for the 1914 Vienna Congress)!!! (Nonsense! As if Legien and Co. *could* do this!!) (Cf . Huysmans in a letter to the Swiss party—idem.)

The French minority, *too*, is for fatherland defence!! (—54—). [In August and November 1914, he says, Grimm stood for fatherland defence—68.]

p. 77: Lenin *in favour of* war by Morocco, etc.

(p. 4 of the German pamphlet.*) "Here lunacy becomes a method"! Morocco may defend herself, but France may not!! (Buffoon!)

p. 78: Lenin (*Vorbote*[65] No. 1**) sees "the beginning of revolutionary mass struggles" in hunger demonstrations in Germany!! What an *illusion*!!, author says. On the contrary, there is "complete absence of revolutionary qualities among the German people" (78).

82: Meyer *London* said in the U.S. Congress on January 18, 1916, that he would defend his country in the event of an attack!!!!

84-85: Ledebour's statement against the German International Socialists and Borchardt's against Ledebour. You will "never" succeed in having "**defence of the fatherland**" abandoned!!! Liebknecht, too, is *for* defence of the fatherland!!

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* See present edition, Vol. 21, p. 300.—*Ed.*

** Ibid., Vol. 22, pp. 108-20.—*Ed.*

ENGELS, LETTERS TO SORGE

E n g e l s to Sorge, June 3, 1885.... In connection with the shipping subsidy (after the repeal of the Anti-Socialist Law), "the split will probably come and can then only be useful. A petty-bourgeois-socialist group is inevitable in a country like Germany, where the petty bourgeoisie, much more than historical law, 'goes down to an unknown date'"....

April 29, 1886: "In Germany in quiet times everything takes on a philistine character; here the sting of French competition is absolutely necessary. And it will not be lacking"....

February 22, 1888: ..."It only requires a start to be made somewhere and the bourgeois will be amazed at the latent socialism, which will then break out and become apparent" (291)....

December 7, 1889: ..."The most repulsive thing here [in Britain] is the bourgeois 'respectability' which has grown deep into the bones of the workers.... Even Tom Mann, whom I regard as the best of the lot, is fond of mentioning that he will be lunching with the Lord Mayor. If one compares this with the French, one realises what a revolution is good for, after all"....[66] N.B.

February 8, 1890.... "The Fabians, a well-meaning band of educated bourgeois, who sought to refute Marx.... Their main aim is ... to draw the *bourgeois* to socialism and so introduce it peacefully and constitutionally" (331)....

((on the Fabians 393 (March 18, 1893)—p. 401 (November 11, 1893)...—they want to permeate liberalism with socialism; they themselves need to be permeated with the spirit of the workers)).

April 19, 1890.... In Britain there is a vast amount of friction, etc., of the traditional squabbles, prejudices of the skilled workers, etc., etc.

..."But *under* the surface the movement is going on, is embracing ever wider sections and mostly just among the hitherto stagnant *lowest* [Engels's italics] strata. The day is no longer far off when this mass will suddenly *find itself* [Engels's italics], N.B.

N.B. ||| when it will dawn upon it that it itself is this colossal mass in motion"....[67] (336).

March 4, 1891 ... the dockers and gasworkers and their trade union have had a setback, their "new

N.B. || trade union has been shattered and the old conservative trade unions, *rich* [Engels's italics], and therefore cowardly, remain lone on the field" (359).

September 14, 1891. The Newcastle Trades Union Congress is also a victory (as is, too, the

N.B. ||| international congress).... "The *old* [Engels's italics] trade unions, with the textile workers at the head and the entire party of reaction among the workers, exerted every effort to rescind the 1890 resolution

N.B. |||| on the eight-hour day. They failed ... and the bourgeois papers recognise the defeat of the *bourgeois labour party* [Engels's italics] completely and with horror, howling and gnashing of teeth" (368).

October 24, 1891 ... on a possible war ... we Germans should (perhaps) "enact 1793" ... it will be a bad luck if there is a war and it "prematurely brings us into power, so we must be prepared for this eventuality" (371)....

Idem, 376: in such a war "we must play va-banque" (376).

|| ..."the masses [in Germany] are excellent and mostly better than the leaders"... (399) (October 7, 1893).

December 2, 1893.... Difficulties of the development of the workers' movement in America: 1) the system of "party government" (two parties; loss of votes for a third); 2) immigration divides the workers into two groups, the immigrants into subgroups; and, in addition, the *Negroes*; 3) the protective tariffs expose the workers "to the influence of a prosperity", which does not exist in Europe (403)....

412 (May 12, 1894), the *sectarianism* of the Social-Democratic Federation and of the German-American Socialists in America reduces theory to "rigid orthodoxy" ... ((they want undeveloped workers to swallow the theory all at once)).

DIE GLOCKE MAGAZINE

ERNST HEILMANN, "THE HEART OF THE DISPUTE"

Die Glocke, 1916, No. 20 (August 12, 1916).

Ernst Heilmann, "The Heart of the Dispute" (770-86).

Aim—to set out "the main ideas of the three contending groups" (770):...

"The majority, the Labour Commonwealth, and the *Internationale* (Liebknecht's group)" (771)....

1—wants "a German victory"

2—"an undecisive end to the war"

3—"a German defeat" (771)....

"The first two trends stand for defence of the fatherland, although the Labour Commonwealth stresses its great anxiety that the limits of pure defence should not be exceeded, whereas the adherents of the 'Third International' reject the principle of 'fatherland defence' as a misleading phrase" (771).... ||| N.B.

"The Liebknecht group has remained quite true to itself.... This trend has now consolidated itself in a new party and adopted the Spartacus programme. Following its theoretical leader, the Russian Lenin, it wants to make it obligatory for all Social-Democratic parties, by virtue of their international duty, to employ every available means for the defeat of their own country: illegal leaflets, secret organisations, mass strikes and insurrections" (771).... "In Russia, the adherents of this trend honestly and without embarrassment call themselves defeatists" (722).

"The Spartacus propaganda, which maintains that an enemy invasion is by no means the worst of all horrors, but, on the contrary, might lead to the achievement of freedom, probably has its strongest support among the Russian emigre theoreticians in Switzerland; it can have practical importance only for Germany, and is therefore propaganda for a German defeat" (772)....

"The Labour Commonwealth or Zimmerwald Right, whose theoretician is Kautsky and whose political leaders are Haase and Ledebour, not only deduces from the actual situation that this war is bound to end without victors or vanquished, but also desires such an outcome of the great struggle." ||| N.B.

"Criticism of this half-way position is extremely easy and simple. The assertion that the task of Germany's defence has been solved is so obviously contrary to the facts that it can only arouse laughter among intelligent people" (773)....

N.B. "It (the majority) is working for the speediest possible peace, which, however, can only be brought about by the present governments" (778).

N.B. "The idea of a catastrophe or revolution as a means of building a socialist society should be discarded once and for all, and not from a particular day, but as a matter of principle. **To be a socialist means being in principle an anti-revolutionary**" (author's heavy type); "the opposite conception is merely a carry-over from the emancipatory struggle of the bourgeoisie, from which we have not yet completely freed our minds" (780)....

ha-ha!!

p. 782: examples (half a page of names) of the war sacrifices of dukes and generals (their officer sons, etc.): evidence "that in the face of the enemy we have all become equal" (783) (!!!!).

"In the final analysis, therefore, the crisis of the August 4 policy is but a renewal of the old struggle between the cataclysmal and evolution theories, which now, with the victory of evolutionary views, is drawing to a close. Hence, in spite of a dozen or so deserters from one side or the other, we again see the old battle lines of reformists and revolutionaries, or, if you like, revisionists and radicals, ranged against each other; and we hear the old slogans" (784)....

N.B. "Though denounced a hundred times, the evolutionary-historical point of view has been steadily gaining ground in the Party, and it will triumph, even if after the war the indignation of the peoples that have suffered from it leads here and there to revolutionary outbreaks. Stormy, even bloody epiw may hamper or promote the development, but cannot alter its fundamental features" (785-86).

the hub here is in the first half of the sentence

"Socialism is being increasingly realised from day to day because of the growing number of people who do not make their living from private economic activity, or receive wages or salaries from private hands. The worker in a state, municipal or co-operative enterprise is socialised just as is the health-insurance doctor or trade union official" (784).

!!

gem

LIEBKNECHT AND MARX

(LETTER TO LIEBKNECHT, 1878)

W. Liebknecht, Concerning the Oriental Question, or Should Europe Become Cossack? A Word of Warning to the German People, **Second edition**, Leipzig, 1878, pp. *57* and *59*.

N.B. to be found!!

Quoted in *Sozialistische Monatshefte*, 1916, p. 1095 (No. 21, October 19, 1916), in an article by Schippel. He says that appended to this pamphlet of Liebknecht's are two letters of a "friend", obviously **Marx**. (The first edition of Liebknecht's pamphlet does *not* contain these supplements.[68]) He quotes Marx as follows:

"*The English working class* had been gradually becoming more and more deeply *demoralised* by the *period of corruption* since 1848 and had at last got to the point when it was nothing more than the *tail* of the great Liberal Party, i.e., of its oppressors, the capitalists. Its direction had passed completely into the hands of the *venal* trade union leaders and professional agitators. These fellows shouted and howled behind the Gladstones, Brights, Mundellas, Morleys, and the gang of factory owners, etc., in *majorem gloriam** of the tsar as the

(1848-78) Marx on the English workers in 1878

* To the greater glory.—*Ed.*

emancipator of nations, while they never raised a finger for their own *brothers* in South Wales, *condemned* by the mine-owners *to die of starvation. Wretches*! To crown the whole affair worthily, in the last divisions in the House of Commons (on February 7 and 8, when the majority of the high dignitaries of the 'great Liberal Party'—the Forsters, Lowes, Harcourts, Goschens, Hartingtons, and even the great John Bright himself—left their army in the lurch and bolted from the division in order not to compromise themselves too much by voting) the only workers' representatives there and moreover, *horribile dictu*,* direct representatives of the miners, and themselves originally miners—Burt and the miserable MacDonnell—voted with the enthusiastically pro-tsarist rump of the 'great Liberal Party'! But the swift unfolding of the Russian plans broke the spell and shattered the mechanical agitation (five-pound notes were the mainspring of the mechanism); at this moment Mottershead, Howell, John Hales, Shipton, Osborne and the whole gang would be in danger of their lives if they were to let their voices be heard in a public meeting of workers; even their corner and ticket meetings (with entry only by ticket) have been forcibly broken up and dispersed by the mass of the people."

N.B. Marx's letter (to Liebknecht?) of 1878

* Horrible to relate.—*Ed.*

THE JAPANESE AND THE CHAUVINISM OF THE AMERICAN WORKERS

Die Neue Zeit, 1913 (31, 2), pp. 410-12 (June 20, 1913).

N.B.
chauvinism among workers

E r w i n G u d d e, "New Exceptional Law against Japanese in the United States" (Date: San Francisco, May 21, 1913).

American workers and their *c h a u v i n i s m*

This law, which forbids the Japanese to buy land (it can be leased only for three years) was signed by the Governor on May 19, 1913, despite objections by Woodrow Wilson.

This is "an exceptional law of the worst kind" (410)—"a policy even worse than the Prussian policy towards the Poles" (412).

towards the *J a p a n e s e*

The American workers, too, are guilty of *c h a u v i n i s m* (N.B.) (412). "The gentlemen of the American Federation of Labour not only want to deprive the 'yellows' of all rights, but want to drive them out of the country altogether" (411).

N.B.

This exceptional law "is proof that the population of California, and above all its working class, are doing yeoman's service for the American *i m p e r i a l i s t s*, who for years have been preparing for a war against Japan. *The Socialist Party, too, has been found wanting in this matter*" (411).

Workers back imperialists....

Socialist Party too!!!

This law is "only a link in a long chain of laws" (412)....

GREULICH AND THE *GRÜTLIANER*

GREULICH. "OPEN LETTER TO THE HOTTINGEN GRÜTLI-VEREIN"[69]

Grütlianer No. 230, 1916 (October 2, 1916).

Hermann Greulich, "Open Letter to the Hottingen Grütli-Verein".

Only a minority of the workers take part in the labour movement. "Consequently, living standards have risen only slightly, and *only among the upper sections* of the working class. The mass of the workers remain a prey to want, care and privation. That is why doubts arise from time to time about the path we have chosen. The critics seek new paths, relying chiefly on *more vigorous action* as the earnest of success. Attempts are made along these lines, but they usually end in failure, and then there is a return to the old tactics, pursued with greater force. These fluctuations are apparent to anyone who studies the workers' movement for a more or less lengthy period.... Then came the world war ... for the broad masses ... a cruel disillusionment ... appalling deterioration of living standards, reducing to want even those sections that previously led a tolerable existence; this *strengthens the revolutionary tendency*. Everything is now questioned: principles, tactics and organisation.... He who is capable of rising above the turmoil of the day ... will find this great dispute [over revolutionary principles and tactics] comprehensible and not fall into despair over it. Of course, stupidities have been committed—but by both sides ....

"So far it has been almost entirely left to me to act as a mediator.... The Party leadership was obviously not up to its job and allowed itself to be influenced too much by the hotheads.... The Central Committee of the Grütli-Verein decided on a '*practical national policy*' which it wants to pursue outside the Party.... Why has it not done so within the Party? Why has it almost always left it to me to fight the ultra-radicals?...

..."I am firmly convinced that the present ferment in the Party will in the end produce a good wine, provided the barrel is not closed before fermentation

is complete.... The Party can only be a proletarian one and not a sect, whose activity would not be understood by the proletariat.... If it (the Grütli-Verein)... rejects an understanding with the Party, then there is no longer any place for me in the Grütli-Verein. I believe in the future of the Party and I therefore always stand by it". (End.) Berne. *September 26, 1916.*

The same issue contains the reply of the Grütli-Verein Central Committee to Greulich: ultra-radicalism and "mediation"—against the existence of the Grütli-Verein; also an item in lighter vein, "Who is Spartacus?" (a glorification)!!!

"STONES INSTEAD OF BREAD"

Grütlianer No. 255, October 31. Editorial: "*Stones Instead of Bread*" by a "*trade union functionary*": argues that the "radical trend" gives "stones instead of bread". What is necessary, however, is the "reformist conception", "practical social reform", "democratic-socialist reform" ... (against the so-called "Marxists")....

!

"FUNDAMENTAL DIVERGENCE IN APPRAISAL"

No. 253, October 28, 1916. Editorial: "Fundamental Divergence in Appraisal". Quotes the *Leipziger Volkszeitung*, which, it affirms, defends the "socialist point of view". The Zurich and Berne newspapers heap abuse on Pernerstorfer. We, however, *agree neither with the majority in Germany* nor with the Zurich and Berne newspapers; we are *for* "legal" ways. In the Adler business we see "*only* mental derangement"....

N.B. they favour the "Center"

"NO ESSENTIAL DIFFERENCES DIVIDE US!"

N.B. No. 249, October 24, 1916. Editorial: "No Essential Differences Divide Us!" (in quotes)—a statement by *Huber* (Rorschach) at a meeting of Grütli delegates. Here is *Volksrecht* praising Adler!! *We however*, condemn him *on principle*!

"THE 'NATIONALIST CHAFF' IS SEPARATING FROM THE 'INTERNATIONALIST SOCIALIST WHEAT'"

No. 248, October 23, 1916. Editorial: "The 'Nationalist Chaff' Is Separating from the 'Internationalist Socialist Wheat'" (as the representative of the Swiss Social-Democratic Party stated at the *congress* of *Italian* socialists of Switzerland).

"NOTES FOR A LECTURE"

No. 235, October 7, 1916. Comment on the Grütli *programme*.

"NATURALISATION OF FOREIGNERS"

No. 243 (October 17, 1916) and *several* before it (Nos. 237 (October 10)-243) carry articles on "*Naturalisation of Foreigners*"....

The committee of "nine" (including Greulich and Wullschleger) put forward a petition in 1912.

!!!! Compulsory naturalisation after fifteen years. Payment for naturalisation not to exceed 300 francs!! *Nos. 242 and 243.*

"PARTY OF GRÜTLI-VEREIN?"

Grütlianer, *October 18*, *1916*. The "Social-Patriotic Party" of Switzerland.

"TRADE UNIONS AND THE MILITARY QUESTION"

N.B. *Grütlianer*, No. 216 (September 15, 1916): item headed: "**Trade Unions and the Military Question**". "Discussing this question in the *Schweizerische Metallarbeiter-Zeitung* (*) (1916, No. 38 September 16, 1916), a correspondent

(*) Kapellenstrasse, 6, Berne

[*J. H.*, Basle] (**) draws the terse and clear conclusion that ''it is the duty of the trade unionists to see to it that the military question is fundamentally and clearly solved by the Party. The sharpest combating of militarism and rejection of fatherland defence—today, and disarmament, together with socialism—tomorrow."

(**) the article of this *J. H.* Basle is very good, it is purely working-class and revolutionary-internationalist

"The editor Comrade Schneeberger (in an 'Editorial Postscript') remarks that the trade unions as such should not concern themselves either with armaments reduction or disarmament. The fact that a man is a trade union member does not make him either a Social-Democrat or an anti-militarist; his political or religious views, as such, have nothing to do with his trade union membership. True, in most cases the trade unionist soon becomes an adherent of socialist or Social-Democratic views. However, he expresses these views not so much in the trade union as in the Social-Democratic organisations set up for this type of activity. This method has proved a very rational one and should therefore continue, all the more so that the trade unions have big enough tasks in the economic sphere.

!!

"Moreover, the trade unions and trade union bodies are not in a position to carry out any real educational work in this field.

"Generalities, of which there is no shortage in the above-mentioned article, will not help. They are of as little use in convincing a person who—as is usually the case—has grown up with quite different views, as, say, in explaining the issues of the war in three sentences, or in making an impression on an impartial and unprejudiced reader by exaggerating the role of the Swiss armed forces in labour conflicts. One has only to consider the workers' struggles in Italy, Spain, France and Germany, even in free America, to realise that Swiss conditions are still preferable to the Russian.

"And the catchword 'The worker has no fatherland' is absolutely uncalled for at a time when

N.B. || the overwhelming majority of Europe's workers have for two years now been fighting the 'enemies' of their countries side by side with their bourgeoisies, and those left at home are determined to 'hold out' in spite of want and hardship. In the event of a foreign attack, we would certainly see the same spectacle in Switzerland. Here, too, those who are now indulging in the loudest tirades will, perhaps, be the first to abandon their positions."

Grütlianer reprints the passages [marked] || in heavy type. In fact, it has reprinted the *entire* postscript under the editor's signature. The *Metallarbeiter-Zeitung* has the imprint: Editorial board: O. Schneeberger and K. Dürr ((N.B.)).

SCHWEIZERISCHE METALLARBEITER-ZEITUNG

E. TH. "SURVEY"

Schweizerische Metallarbeiter-Zeitung, 1916, No. 40 (September 30, 1916).... A "Survey" by *E. Th.*: "Economic nature" of the war.... "Collapse of the International".... "The capitalists of 'Germany' organised" against those of "England".... Besides being skilled workers (fitters, etc.) we must be politicians *and* strive for "socialisation of the means of production".... "There can be no separating trade unions and politics"; we risk "condemning ourselves to the role of sick-nurses of capitalism"....

very good! |||

"SURVEY (ANOTHER POINT OF VIEW)"

In No. 41 (October 7, 1916) an *unsigned* article: "Survey (Another Point of View)" says that **E. Th.** agrees neither with the author of the article "Trade Unions and the Military Question" *nor with the editorial postscript*. He is against "isolating" the trade unions, "restricting" them to "purely trade union questions".

N.B. ||

The author defends the opposite view in 3½ half-columns: we cannot do everything; there is more than enough to do already (lists of *reformist* issues!!); we have had six articles on imperialism, and from the Social-Democratic standpoint; in 1904, *Schneeberger*, representative of the Central Committee of the Metalworkers' Union in Lucerne, was opposed to "throwing ourselves (as a trade union) into political activity", and he received 56 votes to *18* at the Lucerne trade union congress; and "instead of planned [p. 2, column 3] fruitful work aimed primarily at achieving, as far as possible, the goals set out in the trade union statutes, we shall generate a boundless mania for improving the world, with all manner of projects vociferously proclaimed and not one realised. The majority of the workers stick to facts. However much they would like to see 'socialisation of the means of production' they will not plunge into adventures." !! !! !!

NEUE RHEINISCHE ZEITUNG

Neue Rheinische Zeitung. A political-economic review, edited by Karl Marx (Nos. I—V/VI, each in one small volume), London, 1850.

No. ***I***, January 1850.—No. ***II***, February 1850.—No. ***III***, March 1850.—No. ***IV***, April 1850.—No. ***V/VI*** (without cover), 1850.

Apparently, *everything* (not everything*) from here has been reprinted by Mehring in the *Literary Heritage* (look up!). Note characteristic passage in a small "*Miscellaneous*" item in No. **IV**: "*Gottfried Kinkel*"[70] (trounced for his p. 47 at the end

* Above the word "everything" Lenin later wrote "not everything", having found material from Nos. IV and II not reprinted by Mehring (see Lenin's remarks on pp. 635, 636 and 637 of this volume).—*Ed.*

vile monarchical speech before the military tribunal) (unsigned):

N.B.!

surrender of the left bank of the Rhine to the French

N.B.

...“In the same way, Herr Kinkel denounces his own party to the military tribunal, by talking about plans for surrendering the left bank of the Rhine to France and declaring himself innocent of these criminal projects. Herr Kinkel is very well aware that the union of the Rhine province with France was only spoken of in the sense that in the decisive fight between revolution and counter-revolution this province would infallibly side with the revolution, whoever were to represent the latter—the French or Chinese”... (p. 71).

p. 397, in Vol. III of Mehring’s edition

Mehring writes, pp. 479-80 (Vol. III), that he has omitted the whole “April survey” (i.e., in No. IV) and from the February (No. II) survey he has taken only material about California, etc., and about Chinese socialism.

On the side of the revolutionary nation—no matter whether the French or Chinese! Compare what Engels wrote in 1859 (?) in *The Po and the Rhine*,[71] where he fanned the national passions of the Germans against Napoleon III, who was making “our best provinces” an object of diplomatic intrigue, etc.

Highly characteristic in reference to the national question!

E v e r y t h i n g depends on whether, at the given time, it is the nation that is revolutionary or Napoleon III!!

Ibidem, No. IV, p. *58* (p. 438, Vol. III of Mehring’s edition) (de *Girardin*, “Socialism and Taxation”).[72]

abolition of the state

...“Behind the abolition of taxes lies concealed the abolition of the state. For the Communists, the abolition of the state

has only one meaning, as the necessary result of the abolition of classes, together with which there disappears the need for an organised force of one class to hold down the others"....

Ibidem, p. 55: "Taxes, increased to enormous proportions during a revolution, may serve as a form of attack against private property; but even then they must either lead to new revolutionary measures or, in the end, lead to the re-establishment of the old bourgeois relations"....

p. 436, Vol. III of Mehring's edition

No. 5/6, **p. 158** (from the "Review, May-October", dated London, November 1, 1850. Unsigned).[73]

..."The hitherto existing organisation of the Chartist party is also falling to pieces . The *petty bourgeois* who remain in the party, together *with the labour aristocracy* form a purely democratic *group*, the programme of which is confined to the People's Charter and a few other petty-bourgeois reforms. The *mass of the workers* who live under *really proletarian* conditions, belong to the revolutionary group of the Chartists." (The leader of the first group is Feargus O'Connor, of the second—Julian Harney and Ernest Jones) p. 468, Vol. III of Mehring's edition).

N.B.: two groups of Chartism: (1) petty bourgeoisie + labour *aristocracy* (petty bourgeois reformists) (2) "mass" of really proletarian **revolutionaries**

No. II, pp. 71-73 (in the "Review")[74] on the counter-revolutionary role of *Russia* after 1848 and 1849, a possible "European war" against Russia (England will **decide**), and the "barbarian hordes of Russia" capable of "overwhelming Germany"

N.B.

not in Mehring

amusing! Ibidem, p. 78—(London, January 1, 1850)—on revolution in China (a Chinese Republic—that is what the "European reactionaries" may find in China).

p. **445**, Vol. III of Mehring's edition

× "our European reactionaries in their shortly impending flight to Asia": **ha-ha!!**

× The European reactionaries will flee to Asia from the European revolution, they will reach the Chinese "wall" and find inscribed on it: "The Chinese Republic. Liberty! Equality! Fraternity!" Such is Marx's view.

not in Mehring !!! *Ibidem*, p. 80: the example of Switzerland shows the meaning of the "ostensible 'independence' of small states in the midst of the modern great nations" (either the Holy Alliance will crush Switzerland or the revolution "*will not tolerate*" "such a treacherous and cowardly government in the heart of Europe"....)

not in Mehring These remarks on Switzerland were in connection with the publication of a plan for an attack on Switzerland (by Germany+ Austria + Russia + France)—a *plan* against France, with auxiliary operations against Switzerland and Turkey. The "Holy Alliance" against revolution.

N.B. episode of the struggle of counter-revolution against revolution! "This much is certain: the Holy Alliance will march already this year, either first against Switzerland or Turkey, or directly against France, but in both cases the Federal Council is doomed. By its cowardly neutrality it has predetermined its own downfall, whether it is the Holy Alliance or the Revolution that reaches Berne first. The counter-revolution cannot be satisfied with its con-

cessions because of its more or less revolutionary origin; the revolution cannot for a single moment tolerate the existence of such a treacherous and cowardly government in the heart of Europe, surrounded by the three nations most directly involved in the movement. *The behaviour of the Swiss Federal Council is the most striking and, it is to be hoped, the last example of the meaning of the ostensible* '*independence*' *of small states* **in the midst of the modern great nations**" (p. 80). (End.)

not in Mehring

and p. 72—Switzerland was cowardly "in regard to both the Holy Alliance and the émigrés" (N.B.).... "If Switzerland insulted the Holy Alliance, on the other hand it betrayed the revolution" (73).

N.B.

p. 72—the certainty that a European war is impending (unleashed by Russia against Turkey). Revolution is growing in Paris—"the centre of revolution" (72)—and in "Western Europe" (sic!! *71-72*: "Western Europe")....

In France, revolution is growing (74), the peasants will be drawn into movement, hence "confidence in the speedy victory of the revolution" (74) (sic!!)....

A SAYING OF SAINT-SIMON'S

..."There is *Saint-Simon*'s well-known assertion, on account of which a court charge was brought against him, that the loss France would suffer by the sudden death of a thousand of her highest officials or the members of the royal family would be infinitely smaller than that which would be caused by the death of a thousand of her best workers" (p. 11 in Emil Kaler's "Wilhelm Weitling", Zurich, 1887, No. XI of the *Sozialdemokratische Bibliothek*).

((((According to the Brockhaus *Encyclopaedia*, German edition, Saint-Simon said this not about 1,000, but about 10,000 (N.B.)—in "A Political Parable", in the first issue of *L'Organisateur* 1820)))).

NOTEBOOK "BRAILSFORD"

Contents

BRAILSFORD, *THE WAR OF STEEL AND GOLD*

Henry Noel Brailsford. *The War of Steel and Gold*.

A Study of the Armed Peace, London, 1914.
(The book is dated March 1914) (p. 317)

"In the Balkans it is likely enough that Austria, backed by-the preponderant influence of the Triple Alliance, would have availed herself of one of the several crises which have followed the young Turkish revolution, to force her way to Salonica and to annex a part at least of Macedonia....

"Europe had a long experience of German 'hegemony' during the quarter of a century which elapsed between the fall of the French Empire and the creation of the Franco-Russian Alliance. Nothing disastrous happened. No little states were over-run, no neighbour's landmarks removed, no thrones overturned, no national or religious liberties menaced" (p. 34).

"In Europe the epoch of conquest is over, and save in the Balkans and perhaps on the fringes of the Austrian and Russian Empires, it is as certain as anything in politics can be, that the frontiers of our modern national states are finally drawn. My own belief is that there will be no more wars among the six Great Powers" (p. 35).

"The present territorial arrangement of Europe follows with few exceptions the lines of nationality" (p. 35).

"Shall the Germans dig for iron ore on the slopes of the Atlas, and carry it in the form of steel rails to Baghdad? That is the typical question of modern diplomacy, and sanely regarded, it is a good deal more important than the typical question of the old world, whether the King of Spain should be a Bourbon or a Habsburg. To settle this question, and similar questions which belong to the same order, the young men of Europe are drilled, the battleships are built and the taxes squandered. Nothing is at stake which can affect the fortunes or ownership of a single acre of European soil. Nothing would be changed in the politics or religion or public life of any European state if these questions were settled otherwise or were not settled at all" (p. 36).

"But who in England would have cared if the iron ore of Morocco had gone to cast German cannon at Essen, instead of French cannon at Creusot?" (p. 36).

"The Entente Cordiale between Britain and France, which marked the beginning of the tension with Germany, was based, so far as the world knows, upon a single document, which was nothing but a business-like adjustment of French and British interests in Egypt and Morocco" (p. 37).

"A German firm, the Mannesmann Brothers, could indeed boast that it had obtained an exclusive concession to work all the mines of Morocco in return for money which it had lent to an embarrassed Sultan during its civil wars. That this was the real issue is proved by the terms which were more than once discussed between Paris and Berlin for the settlement of the dispute. A 'détente' or provisional settlement of the dispute was concluded in 1910, which had only one clause—that German finance should share with French finance in the various undertakings and companies which aimed at 'opening up' Morocco by ports, railways, mines, and other public works. No effect was ever given to this undertaking, and German irritation at the delays of French diplomacy and French finance culminated in the dispatch of the gunboat *Panther* to Agadir as a prelude to further 'conversations'. Had M. Caillaux remained in power, we know from the subsequent investigations before the Senate's Committee, how those conversations would have ended. He would have effected not merely an adjustment

of French and German colonial interests, but a general understanding which would have covered the whole field of Franco-German relations. The points on which he had begun to negotiate were all economic, and chief among them was a proposal to put an end to the boycott by French finance of the Baghdad railway, and to admit German securities to quotation on the Paris Exchange. The alarm which this bold step by M. Caillaux caused both to French patriots and to British imperialists is not yet forgotten, and its echo was heard both in London and Paris, when, towards the close of 1913, M. Caillaux returned to office. In those informal negotiations he had made the beginnings of a readjustment in Franco-German relations which would have transformed not merely French but European politics, if he had been Premier for a few months longer. French patriots took alarm and feared that he was about to rob them of their dream of a revenge for 1870. British imperialists in our Conservative press assailed him from a fear that if France composed her quarrel with Germany, this country would be left isolated. In a single sentence in the debate (November 27, 1911) which followed this Agadir crisis, Sir Edward Grey used a phrase which showed that our diplomacy had shared the fears of our Conservative press. There was a risk, as he put it, that France might be drawn into the orbit of German diplomacy. It was for that reason, and not because it really concerned us how much or how little compensation France paid to Germany in the Congo for her seizure of Morocco, that we were ready to back the less conciliatory diplomacy of M. Caillaux's successors, if need be, by force of arms. This was, perhaps, the most instructive incident in the recent history of European diplomacy" (pp. 38-40).

"The French Périer Bank the other day lent a million pounds to the Turkish Government, which it used to pay the first instalment of the purchase price of a dreadnought cruiser built in Newcastle. A few days later it was announced that the same bank, obviously as a part of its commission, had obtained a concession for a railway from Smyrna to the Dardanelles. While we must admit that the export of capital could not be carried out without some movement of goods, there is still a sharp distinction to be made between the financier's transaction and simple exchange of

goods from the standpoint of the sociology of class. Commerce carried on upon an elaborate structure of credit is more profitable to the investing classes than the simpler exchanges which lake place between nations on an equal level of economic development. If we send Welsh coal to France, and receive artificial flowers in exchange, capital makes two profits—the English colliery owner's profit, and the French sweater's profit. But if we lend money to the Argentine, and with it she buys rails here, and afterwards sends out meat to be sold here so that the interest on the loan may be paid, then capital has made three profits—the English steel trade's profit, the Argentine meat trade's profit and the English banker's and investor's profit. It is this third profit which our leisured class chiefly values, and to develop the sort of commerce which requires this credit basis, that is to say, commerce with weaker debtor nations, is the object of imperialism" (pp. 73-74).

"Mr. Mulhall calculated for the *Dictionary of Political Economy* that our foreign and colonial investments grew between 1882 and 1893 at the prodigious rate of 74 per cent per annum. But the decisive evidence is supplied by Sir Robert Giffen. Taking the year 1899, he reckoned that the profits on all our external trade in goods, both foreign and colonial, amounted only to 18 millions sterling. The profit on foreign and colonial investments in the same year he puts at between 90 and 100 millions sterling" (p. 77).

"Ten years later, as Sir George Paish stated in a paper which he read to the Royal Statistical Society, our profits from foreign and colonial investments amounted to 140 millions" (pp. 77-78).

"Behind them* are the embassies, and behind the embassies are the fleets of all Europe, which would steam at a few hours' notice to Turkish waters, if there were any delay or hesitation in paying over the revenues mortgaged to European railway companies or to the holders of Turkish bonds. Diplomacy and armaments are, in a word, employed to enforce the unconscionable and usurious bargains which Baron Hirsch and his imitators have struck, by means of bribery with Turkish Ministers whose hands no honourable man would condescend to shake" (p. 85).

* Holders of Turkish bonds.—*Ed.*

"The posts in the Army and the Civil Services have long been so numerous that they are opened to the sons of the prosperous middle classes. To these people India and Egypt have acquired at last a real meaning—they are the places where a son, a brother, or at least a cousin, is 'doing well'" (pp. 86-87).

"*The War Trust Exposed*, by J. T. Walton Newbold, M. A. (The National Labour Press, Manchester, 1d.), deals chiefly with the inter-relation of the British armaments firms. *Armaments and Patriotism*, by P. W. W. (*The Daily News*, 1d.) deals fully with Mr. Mulliner's share in creating the naval scare of 1909. *The War Traders*, by G. H. Perris (National Peace Council, 167, St. Stephen's House, Westminster, 2d.), contains most of the facts given in the other two pamphlets with some further matter. All of them are based on material which is official and undeniable" (p. 89, footnote).

N.B. "It is a prosperous concern. In the present century Armstrongs has never paid less than 10 per cent, and its dividend often rises to 15 per cent. The great French works at Creusot (Messrs. Schneider) have paid as much as 20 per cent. The building and equipment of a dreadnought must mean at least *a quarter of a million in profits* to the firm which secures the contract. Such a stake is worth an effort, and these firms are well equipped for the exercise of political and social pressure. The share-list of Armstrongs alone includes the names of sixty noblemen or their wives, sons or daughters, fifteen baronets, twenty knights, eight Members of Parliament, five bishops, twenty military and naval officers, and eight journalists. Among those interested in these firms there were last summer two Liberal Cabinet Ministers, a law officer of the Crown and two members of the Opposition Front Bench. There is an amusing correspondence between these share-lists and the membership rolls of the Navy League and the National Service League" (p. 90).

"The true facts were stated at the time by Admiral von Tirpitz in the Reichstag and also by the head of the Krupp firm. Parliament preferred to believe Mr. Mulliner. The

result was that Mr. McKenna calculated that Germany would have seventeen dreadnoughts at 'the danger-point', March 1912, and revised his own programme accordingly. Mr. Balfour even predicted for Germany twenty-one or twenty-five capital ships. The event showed that Admiral von Tirpitz had told the truth: when the time came Germany had nine. The scare cost us the price of the four 'contingent' dreadnoughts, a measurable quantity, while it added to Europe's stores of bitterness and mistrust what no figures can reckon" (p. 91).

"*The international relations* of the firms which *trade in armaments* offer a tempting field for satire. The inevitable comment lies on the surface of the facts, and they shall be *baldly* set down here. Capital has no patriotism. A leading German firm turns out to be conducted by French directors. German firms are rebuilding the rival Russian navy. British firms have branches in Italy which are building those Italian dreadnoughts that are represented as rivals to our own. The Nobel Trust and till lately the Harvey Company were formed of all the leading armaments firms, British, French, German or American. At one time the French firm of Schneider and the German firm of Krupp united in a syndicate to develop the iron ore fields of Ouenza in Algeria" (p. 92).

"All over the world these forces, concentrated, resolute and intelligent, are ceaselessly at work to defeat the more diffused and less easily directed forces which make for disarmament and peace. The number of persons who have anything to gain by armaments and war is relatively small, when measured against the whole population of the civilised world. But their individual stake is larger, and they work in alliance with Society, which regards Empire as a field for the careers of its sons, and with finance which treats it as a field for investment" (p. 93).

"Mr. Gladstone had come into power after the Midlothian campaign with a programme of resolute opposition to imperialism. The chief act of his administration abroad was the occupation of Egypt. Henceforward Liberalism had a lie in its soul" (pp. 103-04).

"Under such influences Liberalism became an imperialist party, with Lord Rosebery, and, later, Sir Edward Grey as the only possible directors of its foreign policy. Lord

Rosebery belonged by marriage to the Rothschild family, and it was the Rothschild influence which brought about the occupation of Egypt" (p. 105).

"There would have been no breach with France, and the *Entente Cordiale* might have been established some twenty years earlier. European armaments would have been less crushing, and Bismarckian diplomacy less triumphant. Above all, the alliance would never have been concluded which filled the treasury of the Russian autocrat with French gold, and so perpetuated the cruellest of European despotisms" (p. 108).

"'The following public works were commenced or completed during 1907 at Coomassie:—Post Office, female prison, hospital and dispensary, European hospital, laundry in which to wash Europeans' clothes, and several buildings for the Gold Coast Regiments.'

"Turning the page, one learns that 'a 13-hole golf course has been completed'. Gold mines, prisons, barracks, a laundry for Europeans built with public money, and a golf course, these are our works of civilisation. But there is no school" (p. 127).

"In other words, whichever party is in power, the Foreign Secretary will always be an imperialist, a personality whom *The Times*, the City and the Conservative Party can unreservedly trust. A Radical can no more become Foreign Secretary than a Roman Catholic can become Lord Chancellor. The doctrine of 'continuity' means that foreign affairs have in effect been removed from the sphere of party government, and are now influenced only by the opinions of the governing class, of those, that is to say, who move at court and in society, who regard the army and the civil service as careers reserved for their families, and survey the world beyond these islands mainly as a field for the investment of their surplus wealth" (p. 132).

"Still more important is the impotence of the House of Commons in regard to treaties. Unless they include financial provisions, there is no obligation to submit them to Parliament, and no discussion can take place upon them until they are already signed, ratified, and published to the world. One consequence of this is that a secret treaty is for us no less binding than a public instrument. A secret

treaty duly signed and ratified by one British Government would bind its successors. In theory the King and his Foreign Minister, acting with the consent of his colleagues in the Cabinet, can and do contract the most solemn and vital obligations in the name of the forty millions over whom they rule in these islands, without consulting their elected representatives" (pp. 137-38).

"It is frankly admitted in these letters that Lord John Russell, the Prime Minister, was quite unable to control Palmerston, who constantly acted in large issues without the authority either of the whole Cabinet or even of his chief. He even went so far as to recognise Louis Napoleon after the coup d'état entirely on his own responsibility, and against the wishes, not only of public opinion, but of the Queen and his own colleagues. To the suggestion that he should be dismissed, Lord John Russell always answered that if he were dismissed he would avenge himself by going into Opposition and overthrowing the Government. How just this fear was, events showed. He was eventually forced to resign at the end of December 1851. By February 1852 he had unseated his late colleagues. A Cabinet which cannot dispense with a Minister must be prepared to give him a free hand" (pp. 143-44).

"On the other hand, the world in which she* moved was a world of monarchs and governments. Nations she neither knew nor recognised. In the tremendous upheaval between 1848 and 1860, which was creating an Italian people, she saw nothing but a series of aggressions by Sardinia against Austria" (pp. 148-49).

"When Palmerston and Louis Napoleon were talking in 1848 of a plebiscite to decide the fate of Lombardy, she declared that 'it will be a calamity for ages to come' if peoples are allowed to transfer their allegiance by universal suffrage" (p. 149).

"There must be a more educative propaganda, a more conscious effort to fix principles, before any democracy can be trusted to stand firm in moments of national crisis" (p. 160).

"It is necessary to implant a general and rooted scepticism, which will instinctively ask, when the glowing words and

* The Queen.—*Ed*.

the specious abstractions are deployed, 'About what loan or concession or sphere of economic interest are you really talking?' Such a task is beyond the scope, it is sometimes beyond the insight, of the special propagandists of peace" (p. 160).

"Talking today of disarmament and arbitration, he will work tomorrow for a party which is hardly less dependent than its rival on the great contractors and bankers who maintain the modern connection of diplomacy and finance. The work of education and organisation on behalf of peace is carried on adequately only by the socialist parties, and they alone represent a force whose undivided vote will always be cast against militarism and imperialism" (p. 161).

"...War is an anachronism, indeed, well-nigh an impossibility in a society based on a respect for private property, and accustomed to conduct its business by a system of cosmopolitan credit" (p. 162).

"Let us admit at once that war is a folly from the standpoint of national self-interest; it may none the less be perfectly rational from the standpoint of a small but powerful governing class" (p. 163).

N.B.

"They are not the 'places in the sun' to which ***the modern imperialist*** turns his gaze. He seeks new countries to 'exploit', promising regions with virgin mines, untilled fields, cities without banks, routes without rails. These are the opportunities he covets. He is pleased to have them without conquest, and he does not desire war. His ideal is to fence them in as an economic sphere of interest, within which he may dump his capital as a national monopoly.

"This is the process which we must visualise if we would understand the survival of armaments, and it is a process of which Mr. Norman Angell's doctrine takes too little account" (p. 164).

"When the Triple Entente is dominant, it takes Morocco and divides Persia. When the Triple Alliance recovers its lead, it takes Tripoli, assures its hold in Bosnia, and makes progress in the economic penetration of Asiatic Turkey" (p. 167).

"It is characteristic of our civilisation to disguise the connection of diplomacy with armaments on the one hand

and finance on the other under an elaborate code of courtesies and hypocrisies" (p. 168).

"If all the Great Powers were to resolve tomorrow by a sudden inspiration of good sense to reduce their armaments by half, that would not free us from the moral consequences of the elusive conflict to adjust the balance of prestige and force" (p. 169).

"It would give some guarantee, if the Committee was well selected, that the policy of the Foreign Office really reflected the will of the nation" (p. 213).

"It is only by concentrating on such proposals as these, but more especially on the creation of a permanent Committee for foreign policy, that a democracy may hope to exert a steady influence on the factors which make for peace and war, govern the growth of armaments, and limit our opportunities for humane service in the world" (p. 217).

"From 1854 to *1906* the City boycotted *Russia*. The loan of *the latter year* followed the hints in Sir *Eduard Grey*'s speeches, and the evidently inspired articles in *The Times* which foreshadowed the conclusion of the political understanding then in process of negotiation. The services of finance and diplomacy are mutual, and in the modern world they have become indispensable to each other. It is an immense reinforcement to diplomacy in dealing with a debtor state to know that it has, in effect, behind it the exportable capital of a wealthy nation to give or to withhold. If any power or group of powers held the monopoly of the world's money-market even for a few years, and used it with a conscious political purpose, they would in the end dictate to Russia, China, Turkey, and the Latin American Republics" (p. 221). N.B.

"Russia is sensitive because she depends as absolutely as any Latin American Republic upon her repute in Western markets. She must float by far the greater part of her loans abroad. She cannot even provide from her own resources for the municipal enterprise of her cities. Her undeveloped coal and iron and petroleum fields all await the fertilisation of foreign capital. If we can conceive for a moment what German opinion would mean to us, if we had to float Consols through the Deutsche Bank, if Manchester had to go

to Berlin for money to build her tramways, if a South Wales coal mine were awaiting the good opinion of some financier in Hamburg, we shall be able to realise dimly why and how much the good opinion of the English people matters to the Russian Government. Credit is a delicate possession. So long as British investors thought of Russia either as a hostile empire dangerous to ourselves, or as an unstable autocracy menaced by revolution, it was in vain that the Russian financier brought his proposals to the City. Prudence, patriotism and humanity were all against him. The change in the opinions of the moneyed classes began when the Conservative press advocated a *rapprochement*, when *The Times* ceased to give prominence to news damaging to the autocracy, and when it was known that an agreement over Persia was in process of arrangement. There was no mystery about the reasons for this change of attitude. Sir Edward Grey had said that it was necessary to restore Russia to her rank as a Great Power in order to redress the balance in Europe. In plain words, our diplomacy wanted Russian support against Germany, and France was urging and engineering the reconciliation. The early months of 1906 were the critical moment for Russian finance, and it happened to coincide with the critical moment in the development of her Constitution. While she was endeavouring to secure a loan of one hundred millions in Western Europe, the elections for the First Duma were about to be held. The Constitution was still a sheet of paper. Everything turned on the ability of the Duma to assert itself, to control the bureaucracy, to make itself the supreme power in Russia. There was one obvious method open to it. It must possess control of the purse, and that meant at the moment control over this foreign loan. If the loan were concluded before it met, the bureaucracy would meet it with its war-chest full. For a few months or weeks European public opinion was potentially the master of Russia's destinies. It professed full sympathy with the constitutional movement, and it had the means of giving its sympathy effect. The Russian Liberals (Cadets) were at one with the Socialists in urging that the granting of the loan should be made conditional on the consent of the Duma. This would have involved a delay of two or three months, but it would have

enabled the Parliamentary majority to drive its bargain with a Tsar who had already repented his concessions. Fresh from their sweeping victories at the polls, the Liberals and Socialists might have said to the Tsar's Ministers: 'We have Russia behind us, and we have Europe behind us. Your coffers are empty; your credit is exhausted. Concede our full rights of responsible government, and we will vote your taxes and sanction your loan. Deny our rights, and we are convinced that neither in London nor in Paris will you find the money to finance your oppressions.' But the great loan had already been floated in Paris and London by March 1906, and in May when the Duma assembled, it found itself confronted by a Government which had nothing to fear from Russia, and nothing more to hope from Europe. Europe had enabled it to pay its Cossacks. For two generations we closed our money-market to the Tsars. We opened it three months too soon. Had we waited those three months, as the Russian Liberal press implored us to wait, the progressive parties must have triumphed. The Cossack can do little, unless the financier stands behind him. But no Parliament can effectively wield the traditional weapon of supply, if foreign banks have first provided for the despot's needs. The decision, in this instance, rested with London. The Paris banks, weary of the burden of supporting the tottering Russian chaos, had made it a condition of their supporting this loan, that English banks should share the profitable burden. It lay with the English banks on their side to insist on the brief delay required to obtain the Duma's assent. It may be said that 'business is business'; one cannot fairly expect a banker, when he is offered a large commission for floating a loan, to weigh all the consequences which his action will have for the liberties of a foreign nation" (pp. 225-28).

"With all our buying, we never bought Russian loyalty, nor prevented her from coquetting with the German rival. Yet the cards were all in our hands. Whatever else Germany can do for Russia, she cannot lend her money. Had we made terms before we lent, had we even checked the flow of gold, we could have won some measure of control over Russian policy. If France had backed us (and we were earning her backing during the Moroccan crisis), it ought to have been

possible to say to Russia: 'No more money until Persia is evacuated.' Persia, after all, is a luxury for Russia; money is a necessity" (p. 229).

"Europe made or pretended to make some futile efforts to prevent the outbreak of the Balkan wars. They failed because they were insincere. Russia, as we now know, so far from wishing to prevent the war, had actually arranged it by presiding over the formation of the Balkan League. At the very moment when she joined the concert in declaring that none of the Allies would be allowed to keep the territory they won, she had set her seal to a treaty of partition, and accepted the post of arbiter in the division of the territory. It is such duplicity which makes concerts ineffective. Either of these wars could have been prevented, if the French banks had been forbidden to finance the combatants. They were not forbidden because Russia willed it otherwise" (pp. 230-31).

"The system known as peonage is, on the other hand, general throughout Latin America, and the capital by which it is worked is often foreign and sometimes British. It is the rule in Mexico and Brazil, and probably in all the more backward Republics of South America. The victim, usually a native, but sometimes a white or a half-breed, incurs a debt to the planter or merchant, and by the Latin American law of debtor and creditor, which knows no Truck Acts,* becomes in effect his slave until the debt is paid off. It never is paid off; the planter keeps the books. Under this transparent fiction of debt, slaves are bought and sold, villages broken up, peasant landowners reduced to the level of serfs, and tribes carried off to distant scenes of oppression. Children are bought and sold, and young women driven into commercial prostitution. All of this is a typical expression of Latin American civilisation. But foreign capital venturing into these regions adapts itself to its environment, and does in Mexico as the Mexicans do. It turns the rather slovenly, inefficient oppressions of the lazy Spanish landowner into a competent and extensive system, conducted with a ruthlessness and on a scale which transcend the habits of the country. The spectacle is not

* Payment of wages in kind.—*Ed.*

one which a European democracy ought to watch with indifferent eyes and folded arms. If the people of Mexico or Brazil developed a capitalistic system of their own, then however gross its evils might be, the process ought clearly to be allowed to follow its own natural evolution. For purely Mexican wrongs, the Mexicans themselves must find the remedy. But the European financier goes forth equipped. with resources taken from our stores on a career of conquest and exploitation, protected by our flag and backed by our prestige" (pp. 236-37).

"The debatable area, where recognition[76] might either be granted or refused, would still be considerable, and would include Russia, Turkey, China, Persia, the Portuguese colonies, and most of Latin America" (pp. 242-43).

"If we were to take the sum by which British and German armaments have increased in the present century, it would be possible to allocate the increase, roughly, somewhat as follows: 50 per cent or less for the settlement of the question, Who shall exploit Morocco?; 25 per cent or more for the privilege of building a railway to Baghdad and beyond it; 25 per cent or more for the future eventualities which remain unsettled—the fate of the Portuguese colonies in Africa, and the destinies of China. In the second place, the delimitation of spheres of interest is almost inevitably fatal to the national existence of the country partitioned, and as inevitably adds a vast burden to the commitments of the imperial power. Persia furnishes the obvious illustration. Sir Edward Grey is clearly resolved that he will not allow himself by the march of events to be drawn into the assumption of any direct responsibility for the administration of the British sphere. It is a laudable resolve, but Russia may at any moment frustrate it" (pp. 246-47).

"Our own claim to the lion's share, the Yangtze Valley, is admitted by no other power, and it is doubtful whether the Foreign Office still maintains it" (p. 248).

"It is the interest of the whole class which exports capital abroad. But it would be folly to ignore or minimise the direct interest of the trade. It is an interest which happens to be firmly entrenched in political circles, and as the exploit of Mr. Mulliner shows, it is a singularly alert and energetic interest. If public life continues to develop on the present

lines, the great scandal of tomorrow will be a discovery that the Liberal Party funds have been invested not in Marconis, but in Krupps" (pp. 267-68).

"What a monstrous theory it is that Britain and Russia, simply because they have considerable material interests, political, strategic and mercantile, in Persia, should have the right to dispose of the destinies of its people" (p. 290).

"It would, of course, be folly to suppose that the acceptance of this principle of the supremacy of the Concert [of the Great Powers] would at once create harmony, and bring about a reduction of armaments. But it would at once achieve this—it would make a standard for the conscience of the civilised world, it would provide an objective test by which the loyalty of any policy might be tried, and above all it would supply a common ground on which all the parties of peace might take their stand. It would conduce to a gradual slackening of the European tension, a gradual loosening of the existing alliances, and in time create an atmosphere in which a proposal for the reduction of armaments, and eventually some scheme for the creation of a loose Federal Council to decide the common affairs of Europe might at least be considered" (p. 293).

"On the plane of class-egoism, armaments are for the capitalist class entirely rational; the competition to accumulate them has an adequate motive, and the struggle for a balance of power is seen to be a phase and expression of modern finance" (p. 310).

"Men are reluctant to allow that the concerns which divide states are at bottom petty and sordid. We dignify them with great abstract words; we invoke the memories of heroic times. We play with the legendary inheritance of the balance of power, until we persuade ourselves that our homes are in danger, and our faiths and liberties at stake. These are the terrors of an older world, as insubstantial today as the ghosts of Marlborough and Wellington. The powers struggle today over nothing vital, nothing homely, nothing relevant to our daily life. A romantic sentimentalism in the masses plays into the hands of a shrewd realism in the ruling class" (pp. 315-16).

NOTEBOOK
"ON MARXISM AND IMPERIALISM"

Contents

MEHRING, "NEW CONTRIBUTIONS TO THE BIOGRAPHY OF MARX AND ENGELS"

F. Mehring, "*New Contributions to the Biography of Marx and Engels*", *Die Neue Zeit*, 25th year (1907).

"I consider Mazzini's policy fundamentally wrong. He is working entirely in the interests of Austria by inciting Italy to a breach now. On the other hand, he fails to appeal to the peasants, that part of Italy that has been oppressed for centuries, and thus prepares new resources for the counter-revolution. Signor Mazzini knows only the cities with their liberal nobility and 'enlightened citizens'. The material needs of the Italian rural population—sucked dry and systematically enfeebled and besotted like the Irish—are, of course, too low for the heaven-in-words of his cosmopolitan-neo-Catholic-ideological manifestoes. But it would have required courage, to be sure, to tell the bourgeoisie and the nobility that the first step towards the independence of Italy is the complete emancipation of the peasants and the transformation of their share-cropping system into free

bourgeois property. Mazzini seems to think that a loan of ten million francs is more revolutionary *than winning over ten million human beings*. I am very much afraid that if worse comes to worst the Austrian Government will itself change the system of landownership in Italy and reform it in the 'Galician' manner" (pp. 58-59).[78]

"And now as to myself, no credit is due to me for discovering the *existence of classes in modern society* or the *struggle* between them. *Long before* me *bourgeois* historians had described the historical development of this class struggle and bourgeois economists the economic anatomy of the classes. What I *did that was new* was to prove: (1) that the existence of classes is *only bound up with particular* historical phases in the development of production, (2) that the class struggle necessarily *leads to the dictatorship of the proletariat*, (3) that this dictatorship *itself only* constitutes THE TRANSITION TO THE ABOLITION OF ALL CLASSES and to a classless society.* Ignorant louts like Heinzen, who deny not merely the class struggle but even the existence of classes, only prove that, despite all their blood curdling yelps and the humanitarian airs they give themselves, they regard the social conditions under which the bourgeoisie rules as the final product, the *non plus ultra* of history, and that *they are only the servitors of the bourgeoisie*. And the less these louts realise the greatness and transient necessity of the bourgeois regime itself the more disgusting is their servitude" (pp. 164-65).[79]

"On *January 1, 1870*, the General Council issued a confidential circular *drawn up by me* in French (for the reaction upon England only the French, not the German, papers are important) on the relation of the *Irish national struggle* to the emancipation of the working class, and therefore on the attitude which the *International Association* should take in regard to the Irish question. I shall give you here only quite briefly the *decisive* points.

* See present edition, Vol. 25, p. 416.—*Ed.*

"Ireland is the bulwark of the English landed aristocracy. The exploitation of that country is not only one of the main sources of this aristocracy's material welfare; it is its *greatest moral strength*. It, in fact, represents the domination of England over Ireland. Ireland is therefore the *great means* by which the English aristocracy maintains its domination in England herself.

"If, on the other hand, the English army and police were to withdraw from Ireland tomorrow, *you would at once have an agrarian revolution there*. But the overthrow of the English aristocracy in Ireland involves as a necessary consequence *its overthrow in England*. And this would fulfil the preliminary condition for the *proletarian revolution* in England. The destruction of the English landed aristocracy in Ireland is an *infinitely easier* operation than in England herself, because in Ireland the land question has hitherto been the exclusive form of the social question, because it is a question of existence, of life and death, for the immense majority of the Irish people, and because *it is at the same time inseparable from the national question*. This quite apart from the Irish being more passionate and *revolutionary in character* than the English.

"As for the English bourgeoisie, it has in the first place a common interest with the English aristocracy in turning Ireland into mere pasture land which provides the English market with meat and wool at the cheapest possible prices. It is equally interested in reducing, by eviction and forcible emigration, the Irish population to such a small number that English capital (capital invested in land leased for farming) can function there with 'security'. It has the same interest in 'clearing' the estates of Ireland as it had in the clearing of the agricultural districts of England and Scotland. The £6,000-£10,000 absentee-landlord and other Irish revenues which at present flow annually to London have also to be taken into account.

"But the English bourgeoisie has, besides, much more important interests in Ireland's present-day economy.

"Owing to the constantly increasing concentration of tenant-farming, Ireland *steadily* supplies *her own surplus*

[of labour] *to the English labour market, and thus forces down wages and lowers* THE MORAL AND MATERIAL CONDITION OF THE ENGLISH working class.

"***And most important of all!*** Every industrial and commercial centre in England now possesses a working class divided into *two hostile camps* N.B. *English* proletarians and *Irish* proletarians. The ordinary English worker *hates* the Irish worker as a competitor who lowers his standard of life. In relation to the Irish worker he feels him- N.B. self a ***member of the ruling nation*** and so turns himself into a *tool of the aristocrats and capitalists of his country against Ireland*, THUS strengthening THEIR DOMINATION OVER HIMSELF. He cherishes religious, social, and national prejudices against the Irish worker. His attitude towards *him* is much the same as *that of the poor whites to the Negroes* in the former *slave* states of the U.S.A. The Irishman pays him back with interest in his own coin. He sees in the English *worker at once the accomplice and the stupid tool of the English rule* in Ireland.

"This antagonism is artificially kept alive and intensified by the press, the *pulpit*, the *comic papers*, *in short*, by all the means at the disposal of the *ruling classes*. This antagonism is the secret of the *impotence of the English working class, despite its organisation*. It is the secret by which the capitalist class maintains its power. And that class is fully aware of it.

"But the evil does not stop here. It continues across the ocean. The *antagonism* between the English and Irish is the *hidden basis of the conflict between the United States and England*. It makes any honest and serious *co-operation between the working classes of the two countries impossible*. It enables the governments of both countries, whenever they think fit, to take the edge off the social

conflict by their mutual bullying and, *in case of need, by war with one another.*

"England, being the metropolis of capital, the power which has hitherto ruled the world market, *is for the present the most important country for the workers' revolution*, and moreover the ***only*** country in which the material conditions for this revolution have developed up to a certain degree of maturity. Therefore to hasten the social revolution in England is the most important object of the International Working Men's Association. The sole means of hastening it is to ***make Ireland independent.***

N.B.

"Hence it is the task of the International everywhere to *put* the conflict between England and Ireland *in the foreground*, and everywhere to *side openly with Ireland*. And it is the special task of the Central Council in London to awaken a consciousness in the English workers that for them the *national emancipation* of Ireland is *no* question of *abstract justice or humanitarian sentiment*, but the first *condition of their own social emancipation*" (pp. 226-28).[80]

"FOREIGN WAGE-REDUCERS AND THE ATTITUDE OF THE INTERNATIONAL"

"*Foreign Wage-Reducers and the Attitude of the International*", *Die Neue Zeit*, 25th year (1907).

"In inviting the trade unions of Great Britain and Ireland to take part in the Brussels Congress of *1868*, the General Council declared:

"'The fundamental principle of the Association is that the produce of labour ought to be the property of the producer; that the *brotherhood of labour* should be the basis of society; and that the working men of all countries should throw aside their petty jealousies and *national antipathies*, and make common cause with each other in their struggle with capital. *Labour is of no*

country! Working men have the same evils to contend with everywhere. Capital is but accumulated labour. Why should the labourer be the slave to that which he has himself produced? Too long have the capitalists profited by the national isolation of the sons of toil. Foreign competition has always furnished a plea for the reduction of wages'" (pp. 511-12).

"The ever-ready cry of the British capitalists that the longer working hours and lesser wages of the continental workers make a reduction of wages unavoidable can only be effectually met by the endeavour to *approximate the hours of labour and the rate of wages throughout Europe*.* This is one of the tasks of the International Working Men's Association" (p. 512).

"That is in fact *the only* method of safeguarding the *gains of the more favourably placed* sections of the international proletariat. These gains will always be in danger as long as they are the possession of only a minority, and the danger will be all the greater, the lower the level of the main mass of the proletariat compared with this minority. That holds good for the masses within a single country as it does for those *of the whole world market. An advanced proletariat* can maintain its position by solidarity with and *support of those who have been left behind*, but not by exclusiveness, by isolating itself from them and keeping them down. Where, under the influence of a ***short-sighted***, ***craft attitude***, it adopts the second method, the latter sooner or *later suffers a fiasco* and becomes *one of the most pernicious means of crippling the proletarian struggle for emancipation*" (p. 512).

N.B.

* *Die Neue Zeit*'s italics.—*Ed.*

SEELEY, *THE EXPANSION OF ENGLAND*

The Expansion of England, by J. R. Seeley, M. A.

"Here is a fundamental characteristic of the European states during the eighteenth and seventeenth centuries, which is seldom borne in mind, namely, that each of the five Western states has an empire in the New World attached to it. Before the seventeenth century this condition of things was but beginning, and since the eighteenth it has ceased again to exist. The vast, immeasurable results of the discovery of Columbus were developed with extreme slowness, so that the whole sixteenth century passed away before most of these nations bestirred themselves to claim a share in the New World. There existed no independent Holland till near the end of that century, so that *a fortiori* there could be no Greater Holland, nor did either England or France in that century become possessors of colonies. France did indeed plan a settlement in North America, as the name Carolina, derived from Charles IX of France, still remains to prove, but the neighbouring Spaniards of Florida interfered to destroy it. A little later Sir Walter Raleigh's colony in the same neighbourhood disappeared altogether, leaving no trace behind it. Accordingly, during almost the whole of that century the New World remained in the possession of the two states which had done most to lay it open, viz., Spain and Portugal, Spain looking chiefly towards America and Portugal towards Asia, until in 1580 the two states coalesced in a union which lasted sixty years. The Dutch made their grand entrance into the competition for empire in the seven years from 1595 to 1602, and they were followed by France and England in the early years of the seventeenth century, that is, in the reign of our King James I.

"Again in the nineteenth century, the competition of these five states in the New World ceased. It ceased from two causes: wars of independence, in which Transatlantic colonies severed themselves from the mother-country, and the colonial conquests of England. I have described already the Hundred Years' War in which Greater France was swallowed up in Greater Britain; Greater Holland in like manner suffered serious diminution, losing the Cape of

Good Hope and Demerara to England, though even now a Greater Holland may be said to exist in the magnificent dependency of Java, with a population of not less than nineteen millions. The fall of Greater Spain and Greater Portugal has happened in the present century within the life-time of many who are still among us. If we estimated occurrences less by the excitement they cause at the moment and more by the consequences which are certain to follow them, we should call this one of the most stupendous events in the history of the globe, for it is the beginning of the independent life of almost the whole of Southern and Central America. It took place mainly in the twenties of this century, and was the result of a series of rebellions which, when we inquire into their origin, we find to have arisen out of the shock given to Spain and Portugal by Napoleon's invasion of them, so that in fact one of the chief, if not the chief, result of Napoleon's career has been the fall of Greater Spain and Greater Portugal, and the independence of South America.

"The result of all these mighty revolutions—of which, however, I fancy that few of you know anything—is that the Western states of Europe, with the exception of England, have been in the main severed again from the New World. This of course is only roughly true. Spain still possesses Cuba and Puerto Rico, Portugal still has large African possessions, France has begun to found a new empire in North Africa. Nevertheless these four states have materially altered their position in the world. They have become in the main purely European states again, as they were before Columbus crossed the Atlantic" (pp. 62-64).

"Thus then we see in the seventeenth and still more the eighteenth century a period when the New World was attached in a peculiar way to the five Western states of the European system. This attachment modifies and determines all the wars and negotiations, all the international relations of Europe, during that period. In the last lecture I pointed out that the struggle between England and France in those centuries cannot be understood so long as we look at Europe alone, and that the belligerents are really the World-Powers, Greater Britain and Greater France. Now I remark that in like manner during the same period we must

always read for Holland, Portugal and Spain, Greater Holland, Greater Portugal and Greater Spain. I remark also that this state of things has now passed away, that the Spanish Empire, and in the main also the Portuguese and Dutch Empires, have gone the same way as the Empire of France. But Greater Britain still remains. And thus we perceive the historical origin and character of this empire" (pp. 64-65).

"We had been involved in two great wars mainly by our colonies, and the final breach was provoked not so much by the pressure of England upon the colonies as by that of the colonies upon England. If we imposed taxes upon them, it was to meet the debt which we had incurred in their behalf, and we saw with not unnatural bitterness that we had ourselves enabled our colonies to do without us, by destroying for their interest the French power in North America" (p. 75).

"In the Middle Ages England was, from the point of view of business, not an advanced, but on the whole a backward country. She must have been despised in the chief commercial countries; as now she herself looks upon the business-system and the banking of countries like Germany and even France as old-fashioned compared to her own, so in the Middle Ages the Italians must have looked upon England. With their city-life, wide business-connections and acuteness in affairs they must have classed England, along with France, among the old-world, agricultural, and feudal countries, which lay outside the main current of the ideas of the time" (pp. 96-97).

"*Competition* for the New World between the five Western maritime states of Europe—this is a formula which sums up a great part of the history of the seventeenth and eighteenth centuries. It is one of those generalisations which escape us so long as we study history only in single states" (p. 108).

"How came we to conquer India? Was it not a direct consequence of trading with India? And that is only the most conspicuous illustration of a law which prevails throughout English history in the seventeenth and eighteenth centuries, the law, namely, of the intimate interdependence of war and trade, so that throughout that

period trade leads naturally to war and war fosters trade. I have pointed out already that the wars of the eighteenth century were incomparably greater and more burdensome than those of the Middle Ages. In a less degree those of the seventeenth century were also great. These are precisely the centuries in which England grew more and more a commercial country. England indeed grew ever more warlike at that time as she grew more commercial" (p. 120).

"Indeed it is not easy to approve the conduct of those who built up Greater Britain" (p. 145).

"Perhaps you may ask whether we can expect or wish her to prosper, if crime has gone into the making of her. But the God who is revealed in history does not usually judge in this way. History does not show that conquests made lawlessly in one generation are certain or even likely to be lost again in another" (p. 146).

"Like our colonial empire itself, our participation in the slave-trade was the gradual growth of the seventeenth century. By the Treaty of Utrecht it was, as it were, established, and became 'a central object of English policy' (the phrase is borrowed from Mr. Lecky. See *History of England in the Eighteenth Century*, II, p. 13). From this date I am afraid we took the leading share, and stained ourselves beyond other nations in the monstrous and enormous atrocities of the slave-trade" (p. 148).

"I have suggested that in the modern world distance has very much lost its effect, and that there are signs of a time when states will be vaster than they have hitherto been" (p. 308).

P. DEHN, *GERMAN COLONIAL AND WORLD POLICY*

German Colonial and World Policy, by Paul Dehn. (Second edition, Berlin, 1907.)

"There are on the seas at the present time, naval vessels excluded, about 40,000 large merchant ships, under steam or sail, with a net registered tonnage of 25,000,000 metric tons and a carrying capacity of 61,000,000 metric tons" (p. 37).

"It* yields the British more than 180 million marks annually, the Germans (with 220 steam fishing vessels) about 25 million and the French about 10 million marks" (p. 39).

"The length of Germany's sea coast is only 1,270 km., only a quarter of her land frontiers, whereas France faces the sea on three sides and her coasts stretch 3,175 km." (p. 41).

"According to the calculations of Professor Dr. Eckert, in his *The Maritime Interests of the Rhineland and Westphalia* (1906), a third of all Germany's imports by sea, and considerably more than a fifth of her total exports by sea, pass through Dutch or Belgian ports" (p. 42).

"At the beginning of 1907 the 'Veritas' business agency made a census of 14,656 steamships totalling 18.9 million registered tons. Of these, Great Britain had 6,249 with 9.8 million tons, Germany 1,351 with 2.1, the United States 885 with 1.2, and France 586 with 0.7 million tons. Of the sailing vessels, too, totalling 26,579 with 7.5 million registered tons, Great Britain had the largest share—6,338 ships and 1.8 million tons. Next came the United States of America with 3,695 ships and 1.5 million tons, followed by France with 1,356 and Germany with 991 ships, each with 0.5 million registered tons. In the period 1882-1905 the tonnage of British ships passing through the Suez Canal increased 103 per cent, while the German figure increased 1,561 per cent!" (p. 43).

"According to American statistical data, the total world area of coalfields amounts to about 1,500,000 square kilometres. Of this figure, 520,000 sq. km. fall to China, 500,000 to the United States, 169,000 to Canada, 91,000 to British India, 62,000 to New South Wales, 52,000 to Russia, 31,000 to Great Britain, 14,000 to Spain, 13,000 to Japan, 5,400 to France, and 4,600 each to Austria, Hungary and Germany, and 1,300 to Belgium. Exploitation depends on the depth, quality and location of the coal deposits.

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"According to British data, about 840 million tons of coal, valued at approximately 6,000 million marks, was mined in 1905.

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* Sea fishing.—*Ed.*

World Coal Output, 1905

	million tons	share (per cent of total)	tons per capita
United States of America	350.8	41	4.25
Great Britain	236.1	28	5.5
Germany	119.3	14	2.0
France	34.8	4	1.0
Belgium	21.5	2.7	3
Russia	19	2.3	
Japan	10	1.2	
British India	8.4	3.5	
Canada	7.8		
Australia	9.8		
British South Africa	3.6		
Other countries	19.1		
	840		

"The three big coal-producing countries accounted for 83 per cent of total output" (pp. 46-47).

"In the period 1883-1903, coal consumption increased 24 per cent in Britain, 102 per cent in Germany and 129 per cent in the United States" (p. 47).

"Almost three-quarters of British coal exports go to continental Europe and the Mediterranean area" (p. 55).

"The British have accumulated big stocks of coal at all their naval bases, of which there are about forty in all parts of the globe" (pp. 56-57).

"These coal stocks total millions of tons. Peez once called them signal posts of British maritime supremacy" (p. 57).

"If the freight cost of British coal exports to various countries is reckoned at an average of only five marks per ton, the total export of 58 million tons in 1906 must have yielded British shipping an annual income of some 300 million marks" (pp. 57-58).

"Unfortunately, it has so far been impossible to oust British coal from the North Sea and Baltic regions. Berlin itself still obtains a sixth of its requirements (mostly coking coal) from Great Britain" (p. 62).

"The difficult position of German industry in regard to supplies of cotton has been statistically shown by State Secretary Dernburg. A price increase of four pfennigs per

pound increases the cost of the world's cotton consumption by 320 million marks. The price increases since 1899 have involved thousands of millions! In 1905, Germany consumed 1.6 million bales. In the recent period she paid annually, depending on the price fluctuations engineered by the New York speculators in anticipation of a rise, 150-200 million marks more* than she did previously, that is to say, five to seven times her annual subsidies to the colonies. She must free herself of this tax, this foreign tribute.

"In order to avoid the effects of Stock Exchange speculation, British merchants and manufacturers more and more frequently visit the Southern States and buy what they need on the spot. British manufacturers have bought large tracts of land in Texas to grow cotton there themselves or to lease the fields" (p. 81).

"The number of spindles in the United States increased from 14.6 million in 1890 to 23.2 million in 1906" (p. 82).

"United States' consumption in 1906 was 4.8 million bales (as against 3.6 million bales in Great Britain and 1.6 million in Germany). At the beginning of the 1860s, the United States consumed 20 per cent of its harvest, in the eighties—32 per cent, in the nineties—35 per cent, and since 1900—up to 40 per cent" (p. 82).

"If the United States has no longer to seek foreign markets for the major part of its cotton crop, supplying the world market with cotton becomes a power problem" (p. 83).

"Being in control of the cotton market, the United States has an unusually sharp weapon against Europe, its export tariff. The European states must at all costs free themselves of this sword of Damocles. No sacrifice can be too great, for in the last resort it is a question of power, which, however, can be resolved through peaceful effort" (pp. 87-88).

"After the excesses of the 1903 New York cotton speculation, on the initiative of the Colonial Economy Committee, there were international congresses of the European cotton industry—in mid-1904 in Zurich, in April 1905 in Brussels, in June 1906 in Manchester, and in May 1907 in Vienna—to devise counter-measures" (p. 88).

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* Dehn's italics.—*Ed.*

"The promotion of cotton growing under the German flag is one of the most important tasks of German colonial . economy and colonial policy. That was already appreciated by Bismarck" (p. 90).

"Encouraging cotton cultivation in the colonies will not only ensure for Germany the supply of this indispensable raw material, but also facilitate lasting prosperity of the colonies themselves, which will then develop as purchasers of German industrial goods.

"The Social-Democrat Calwer anticipates advantages for the German workers, too, from cotton cultivation in the German colonies" ... (*Sozialistische Monatshefte*, 1907, No. 3) (pp. 96-97).

"Great Britain controls 18,369 km. of railway line in Africa, France 5,657, Germany 1,398, Portugal 1,173, Italy 115, and the Congo state 642" (p. 104).

"Apart from the Social-Democrat nihilists, the opponents of colonies, in spite of all their calculations, have nevertheless avoided drawing the final conclusion—they have hesitated to declare that possessions requiring such high subsidies are of no value, they have refrained from demanding abandonment of these possessions—and they were very wise not to have done so, for this ultimate conclusion would show up the fallacy of their whole argument" (pp. 113-14).

"The Social-Democrat agitators and press organs waged an especially furious campaign against German colonial policy shortly before the 1907 elections. The central organ wrote of colonial policy: It 'wants to establish a new German slave state at the cost of the goods and blood of the German proletariat:' This policy should be dealt a 'crushing defeat'.

"Despite all this, there have been voices in favour of colonies also in the Social-Democratic camp, repudiating those who confine themselves to deriding the German colonies as worthless deserts.

"The former Social-Democratic deputy Calwer, writing in the *Sozialistische Monatshefte* early in 1907, argued against the sharply negative Social-Democratic attitude towards German colonial policy" (p. 121).

"Comrade Calwer showed he was alive to the needs of the international situation when, writing in the *Sozial-*

istische Monatshefte of March 1907, he criticised the Social-Democratic Party leadership for its hostility to the navy" (p. 130).

"Calwer justifiably ridicules those comrades who believe wages in Germany could at once be raised to the British or North American level without building up our position in the colonies and on the world market" (p. 132).

"In 1905-06 Persia's imports were valued at approximately 140 million marks. Of these the share of Russia was 70 million, of Britain 30, of British India 16, of France 8, of Austria-Hungary 5, and of Germany hardly 3 million marks" (pp. 148-49).

"If the Baghdad railway is actually to be built one day under German auspices, and the British do not renounce their proclaimed aims, the Persian Gulf, now an out-of-the-way area, can become a storm centre of world politics" (p. 158).

"As a result of the Monroe Doctrine, the colonial powers, above all Great Britain, but also France, Holland and Denmark, will before long have to reckon with the possibility of losing their colonies" (p. 196).

"According to semi-official data, German capital invested in real estate, industry, railways and trade at the end of 1904 amounted to 5,000-6,000 million marks for America as a whole, and to 2,800-3,400 million marks for Central and South America alone" (p. 229).

"It is estimated that more than 2,000 million marks of United States capital have been invested in Canadian real estate and factories.

"According to semi-official data for mid-1907, United States investments in Mexico amounted to approximately 3,500-4,000 million marks" (pp. 232-33).

"The two biggest electric companies of Europe and America—the Allgemeine Elektrizitäts-Gesellschaft in Berlin and the General Electric Company in New York—have an agreement on division of the world market into two spheres of interests. The American company was able to secure for its exclusive exploitation also Central and South America" (p. 249).

"Preferential tariffs, where they have been introduced, have proved inadequate to oust foreign commercial inter-

ests. Such preferential tariffs will always be imposed only to a very limited degree, since local interests, especially those of rising industries, and also those of declining agriculture, demand not merely a certain protection but also the exclusion of all foreign monopolies. The resistance is so strong that it will frustrate the efforts of British imperial and pan-American tariff supporters to attain their final goal—the creation of a completely closed customs union.

"Both these formations were contrary to the general economic development of the recent period with its urge for the expansion of international trade by overcoming artificial barriers, with the need of the strong states to gain a free sphere for economic activity beyond their own frontiers, indeed beyond their own continent. As a matter of fact, the drive for large, self-sufficient customs unions has abated" (pp. 254-55).

"There is no struggle for supremacy in Europe. Should it be provoked by Great Britain, it is by no means bound to lead to war. As long as the Liberal government remains in power, peace will be ensured, for among its most loyal supporters are precisely the British friends of world peace, who are not at all actuated by ill-will towards Germany" (p. 329).

NOTEBOOK "IMPERIALISM"

Contents

REVENTLOW, *GERMAN FOREIGN POLICY*, *1888-1913*

German Foreign Policy, *1888-1913*, by Count Ernst zu ***Reventlow***, Berlin, 1914.
Fourth Section.

"Moreover, since 1903 the German plan for the Baghdad railway, accepted by Turkey, has been a dangerous spectre" (p. 314).

"If one adds that the main purpose of the Balkan Committee was deliberate political propaganda, it needs no further proof that this Committee, disposing of large sums of money, was a powerful but at the same time irresponsible assistant of official British policy" (p. 314).

"The similarity of motivation behind the Sanjak railway and the future Baghdad railway was obvious" (p. 317).

"In 1906 the Paris *Revue Slave* wrote that the Slavs of Central Europe and the Balkans ought to strive for a big customs union with Russia, Hungary, Rumania and Greece. 'All these peoples would doubtlessly benefit much more from it than from a customs union with Germany.... Russia's revived strength will be unconquerable once all Slav elements, united under her moral aegis, come out in resolute opposition to all policies of brute force'" (p. 318).

"From the outset the movement bore a strong Jewish imprint, which brought it into association with the centres of European capital. The Young Turk movement was always supported and promoted by France and Great Britain, especially through the Balkan Committee" (p. 319).

"On July 19, 1908, King Edward VII paid a visit to the Russian tsar, meeting him in the Reval roadstead. This meeting marked the culmination of Anglo-Russian rapprochement and caused a sensation in the political world of Europe" (p. 319).

"At any rate, one must recall the mood of disquiet prevailing in Europe during the years 1906-08, particularly in Germany. We have seen how in 1906 and 1907 King Edward's Entente policy of 'encircling' Germany gained more and more political reality. With the Mediterranean agreements and the agreement with Russia that policy, it seemed, had run full circle" (p. 320).

"There was talk of a far-reaching plan for the partition of Turkey" (p. 322).

"London was taken completely by surprise, as was also Paris" (p. 327).

"There can be no doubt that if Germany supports the dual monarchy only conditionally and with reservations, this monarchy will be exposed to the strongest pressure by the Entente powers. At a certain point Great Britain and Russia will try to achieve the reverse, that is, convince Austria-Hungary by their pressure that she would do better to join the Triple Entente, that this would prove more advantageous than alliance with the German Empire" (p. 332).

KAUTSKY, *SOCIALISM AND COLONIAL POLICY*

Karl Kautsky, *Socialism and Colonial Policy*, Berlin, 1907.

"The capitalist mode of production has already played this role of the most powerful stimulus to the development of the productive forces. In the eighties of the last century it had already reached the limit beyond which it becomes more and more a hindrance to their further development. Not yet in the sense of making any further growth of these forces impossible—such a growth is still taking place—but

in the sense that a mode of production has already become possible in which productivity rises faster than under the capitalist mode. In the interests of self-preservation, the capitalist mode of production is compelled increasingly to block the growth of productivity" (p. 35).

"Today socialism has already become an economic necessity. The time of its arrival is only a question of power. To create this power for the proletariat by organisation and education is today more than ever the most important task of Social-Democracy. Nothing is more peculiar than those socialists who believe that alongside this they must be concerned also for a further development of the power of capitalism" (p. 37).

ENGELS, LETTER OF SEPTEMBER 12, 1882*

A Letter of Frederick Engels (**September 12, 1882**).

["It is a quarter of a century now (**1907–1882=25**) that the movement for colonies began in Germany. Being occupied in studying it, on one occasion I asked Frederick Engels about the attitude of the English workers to their colonies"]**

"To this ***Engels*** replied to *me on September 12, 1882*, as follows:

"'You ask me what the English workers think about colonial policy. Well, exactly the same as they think about politics in general. There is no workers' party here, there are only Conservatives and Liberal-Radicals, and the WORKERS GAILY SHARE THE FEAST OF ENGLAND'S MONOPOLY OF THE WORLD MARKET AND THE COLONIES.*** In my opinion the colonies proper, i.e., the countries occupied by a European population—Canada, the Cape, Australia—***will all become independent***; on the other hand, the countries inhabited by a native population, which are simply subjugated—India, Algeria, the Dutch, Portuguese

* The letter by Engels (with a preface and postscript by Kautsky) was printed at the end of Kautsky's pamphlet (see above) as a supplement.—*Ed.*

** This paragraph, which is Kautsky's preface to Engels's letter, was crossed out by Lenin.—*Ed.*

*** See present edition, Vol. 22, p. 284.—*Ed.*

and, Spanish possessions—must be taken over for the time being by the proletariat and ***led*** as rapidly as possible ***towards independence***. How this process will develop is difficult to say. ***India will perhaps***, *indeed very probably*, ***make*** *a revolution*, and as a proletariat in process of self-emancipation *cannot* conduct *any colonial wars*, *it would have to be allowed to run its course*; it would not pass off without all sorts of destruction, of course, but that sort of thing is inseparable from all revolutions. The same might also take place elsewhere, e.g., in Algeria and Egypt, and would certainly be the best thing *for us*.* *We shall have enough to do at home*. Once Europe is reorganised, and ***North America***, that will furnish such colossal power and such an ***example*** that the semi-civilised countries will of themselves follow in their wake; *economic needs*, *if anything*, *will see to that*. But as to what social and political phases these countries will then have to pass through before they likewise arrive at socialist organisation, I think we today can advance only rather idle hypotheses. One thing alone is certain: the *victorious proletariat can force no blessings of any kind upon any foreign nation without undermining its own victory by so doing*,* which of course *by no means excludes defensive wars of various kinds*.**[82]

N.B.

N.B.

"'The developments in Egypt have been contrived by Russian diplomacy. It is intended that Gladstone should take Egypt (which he is still far from having, and if he did have it, he would still be a long way from keeping it), so that Russia could take Armenia; according to Gladstone, this would once again be the liberation of a Christian country from the Mohammedan yoke. *Everything else in this affair is mere appearance, humbug, pretext*.*** Whether this intrigue will succeed will soon become clear.'

* Italics in Kautsky's pamphlet.—*Ed*.
** See present edition, Vol. 22, p. 352.—*Ed*.
*** Italics in Kautsky's pamphlet.—*Ed*.

"The end of the letter relates to the British occupation of Egypt following the rising led by Arabi Pasha. On this subject there was recently published a letter by Engels dated August 9, 1882, in which he warned against a purely sentimental approach to the Egyptian national movement. And from that the conclusion was drawn that the British annexation of Egypt met with special sympathy from Engels. We see now how far this was from being the case"* (pp. 79-80).

QUADFLIEG, *THE RUSSIAN POLICY OF EXPANSION, 1774-1914*

The Russian Policy of Expansion, 1774-1914, by Dr. Franz *Quadflieg*, Berlin, 1914.

"In the meantime, by the Kuwait treaty, Britain has transferred her differences with Russia on the Turkish issue to Armenia and Asia Minor; Russia is working secretly in Armenia; France is hankering after Syria, and Germany is after territorial acquisitions on the Euphrates. Thus for another century, probably with short intervals, the Turkish question will continue to agitate Europe, and Russian diplomacy will have to devote more attention to South Asia. Russia's gigantic expansion policy in Asia means that her future, too, lies on the seas; without a strong and freely-moving navy there can be no Russian Asia; passage through the Sea of Marmara is the more important for Russian naval policy because in 1905 Russia again lost her favourable position in Eastern Asia" (p. 96).

"Even after the partition Treaty of August 7, 1907, the above-mentioned projects could be carried out without violation of the treaty provisions. The 1907 treaty divided Persia into three parts, viz., Russian and British spheres of influence, and a zone common to both powers. The British and Russian governments undertook not to acquire any concessions of a political or commercial nature in the respective spheres of influence, and not to assist such acquisition by their own nationals or those of third states. The whole of northern Persia, i.e., north of the line Qasri—Shirin—

* This paragraph is Kautsky's postscript to Engels's letter.—*Ed.*

Esfahan—Yazd—Khakh up to the intersection of the Persian-Afghan-Russian frontiers is reserved for Russia, while Britain will exercise her influence in the East, i.e., south-east of the Bandar Abbas—Kerman—Birjand—Gazik line" (p. 134).

"The final act of Anglo-Russian policy was the conclusion of the Anglo-Turkish agreement by Hakki-Pasha in London in 1913; we shall have to return to it in connection with Russian policy in Asia Minor. Under it Britain obtained the terminal portion of the Baghdad railway, Basra-Baghdad, i.e., another link of the Cyprus-India line. Furthermore, Turkey gave up the Kuwait Sultanate, which indeed was always only loosely dependent on Turkey, and was now to become a vassal state of Britain. This means that the entire South-West coast of the Persian Gulf from the mouth of the Euphrates to the Straits of Hormuz becomes British" (p. 135).

"Russian policy in Persia has been less successful than British because Britain can threaten Persia from the sea" (p. 136).

"Latterly Russia has reverted to her earlier policy of engineering revolts, i.e., is again using the Armenians to instigate revolts in the Turkish areas, though, of course, so far not much can be said about this. Britain, on the other hand, made use of the 1913 Balkan disorders to carry out peaceful reforms, so that Russia should not have any grounds for intervention; should, however, such intervention prove necessary, it would be the duty of Britain, since Turkey has promised her to introduce reforms. Under the Kuwait treaty, Britain guarantees the Sultan his Turkish possessions in Asia for forty years. She thus acquires the right, in the event of attempted Russian conquests, again to act as Turkey's protector and oblige the Russians to return possible acquisitions. In return, Turkey promises to carry out reforms in Armenia, Anatolia and other Asia Minor areas with a partially Christian population" (pp. 146-47).

"'Accordingly, Britain has guaranteed Turkey's territorial integrity for forty years, and under present conditions this is important in relation to Russia, which is engaged in subversive activity in Armenia'—writes Rohrbach"* (p. 147).

* *Münchner Neueste Nachrichten* No. 280, April 4, 1913.—*Ed.*

"The construction of a communications network, consisting of railways, waterways and military roads, shows that Russia does not consider the South-Asian problem settled. On the contrary, this construction programme suggests that at the appropriate time arms will decide who is to be the sole ruler of South Asia" (p. 171).

"Already in 1903 Prince Ito urged a Russo-Japanese alliance, since unity would be bound to make partition of the Chinese Empire considerably easier and give everyone concerned a proper share" (p. 173).

"The Russo-Japanese treaty of July 17 (30), 1907, testifies to the new trend of both Russian and Japanese policy. Britain was thus isolated and the value of the Anglo-Japanese alliance was greatly diminished" (pp. 173-74).

"Shortly after the Russo-Japanese agreement Britain concluded with Russia the convention of August 7, 1907, by which Russia renounced, for the time being, any further penetration in Afghanistan" (p. 174).

"The Russo-Japanese policy of rapprochement had its continuation in the treaty of July 4, 1910, which closely resembles a defensive alliance" (p. 219).

"It was broadened by a supplementary treaty of May 7, 1911. The two states pledged themselves to respect each other's spheres of influence in Manchuria and repel any foreign interference, in return for which Japan gave Russia complete freedom of action in Mongolia" (p. 220).

"In line with the May 7, 1911 treaty, Russia now raised the question of Mongolia. Basing themselves on the revolution and the fact that the Chinese immigration policy, by which peaceful settlers were followed by military contingents, violated the existing treaties between the Manchus and the Khalkha tribes, the Mongolian princes proclaimed the independence of their region. Russia hastened to recognise the independence of Mongolia, although she had done nothing to contribute to its realisation" (pp. 220-21).

"Though the semblance of Chinese overlordship remained, the Russian press was not far off the mark in asserting that Mongolia had become a Russian protectorate. Russian diplomacy had achieved the same results as in Korea prior to 1904. This time, having an agreement of Japan, Russia

may be more fortunate than she was then, when she had to combat Japanese resistance" (p. 221).

"The only question is whether China can reorganise herself. China is a compact mass of 300 million people who love their country and are not a little embittered by its treatment at the hands of foreigners. The 1911 revolution ended in the removal of the Manchus. Thereby China accomplished her first task—the overthrow of foreign rule—which she had so often and so unsuccessfully attempted. Will Yüan Shih-kai or someone else be the re-maker of China? Once awoken, China will be a more dangerous opponent of Russian expansion than Japan, and Prince Ukhtomsky was quite right when he said: 'China will regenerate herself through her own forces, as has so often happened in the many thousand years of her history, more slowly but perhaps more permanently than Japan, and then the question will no longer be Russia or Japan, but Russia or China'" (p. 222).

"The guiding motive of Russia's nineteenth-century Balkan policy was control of the Turkish areas, whether by their constitutional inclusion in the Russian Empire, or by dominion, on the basis of international law, over Turkey herself, or over a federation of Balkan states formed out of the Turkish Empire. Such dominion could be converted later into constitutional imperial rule.

"However diverse Russia's final aims in Central and South Asia, including Asia Minor, may have been in specific periods, they can be reduced to a single formula. The final aim is to bring the states concerned—Armenia with Turkey, Persia, Afghanistan and the adjacent small states—under Russian influence, then under a Russian protectorate and ultimately incorporate them in the Russian Empire" (pp. 227-28).

"Russia has temporarily renounced Korea and part of Manchuria, but she has made a rapprochement with the Japanese in order the more surely to incorporate Mongolia and Northern Manchuria in the empire. By cleverly exploiting the special political and social relations which have always existed between Mongolia and the dominant state, China, this policy appears, with the consent of the Japanese government, to be achieving its aim. And from this it follows that in Eastern Asia, too, Russia is consistently

working to a well-devised plan of expansion, which may be modified according to circumstances but remains essentially unaltered, the aim being direct domination of the vast territories right up to the Chinese Wall and supremacy in Eastern Asia....

"It can therefore be concluded that the basic idea of nineteenth-century Russian policy was the creation of a world empire, that is, a state whose final frontiers are not determined by any of the decisive factors that go into the formation of a state. The frontiers aimed at coincide neither with nationality, language, race, nor even—what is certainly less often taken into account—religious boundaries. Nor are they determined by physical features, and therefore do not everywhere coincide with natural geographical boundaries" (pp. 230-31).

"'World empires,' says Sering, 'have always monopolised the earth, the source of all material wealth.' The modern world empires, Russia, Great Britain and America, go further. They have expanded, or seek to expand, their empires over all zones, not in a literal sense, but in such a way that everything the earth can yield will be produced within the bounds of their empire. Great Britain has already done that. Occupying a quarter of the inhabited surface of the globe, there is nothing, as Chamberlain proudly declared at the conference of colonial Prime Ministers, that cannot be produced in one or another part of the far-flung empire. Russia and America, if they succeed in realising their plans of world empire, will seize the next two quarters of the world and be in the same favourable position as the British Empire" (p. 234).

"The other path, specifically relating to Germany, is described by Schmoller as follows: 'We do not want to pursue, nor will we pursue, a chauvinistic world-power policy. We shall not embark on unlimited expansion of our navy and sea power, but we want to expand our trade and industry sufficiently to be able to live and support a growing population; we want to defend our colonies and if possible acquire somewhere an agricultural colony for Germany; we shall everywhere oppose exaggerated predatory mercantilism and a division of the world among the three world powers—Great Britain, Russia and North America—which strive to

exclude all other states and at the same time destroy their trade.' But this second path can now only be adopted, with any prospect of success, by a few Great Powers" (p. 237).

"*Britain has always been the friend of the weaker power*,* in order to bring down the stronger to a level that is no longer dangerous for her. First of all she allied with Holland to destroy the power of Spain, then with France to put an end to the rule of the Netherlands at sea, then she supported Frederick the Great to be in a better position to dismember France's colonial empire; in the same manner she allied with Japan to counteract the threatening growth of Russian power in East Asian waters; today she has become France's or Russia's friend so as to he able to destroy Germany's position as a naval power; she will become Germany's ally as soon as she has nothing more to fear from the German navy, either because the latter will be destroyed, or because Germany will voluntarily give up competing with her. And then her next opponent could prove to be the tsarist empire" (p. 246).

The following table illustrates the progress of Russian railway development (p. 239):

	Total length	Central Asia Region	Siberia and Manchuria
1858	1,165 km.	... km.	... km.
1878	22,910 "		
1890	32,390 "	1,433	
1908	73,699 "	4,519 "	10,337 "
1909	76,284 "	6,544 "	10,337 "

"The central European states—Germany, Austria-Hungary and Italy—joined hands against the aggressive tendencies of Russian and French policy. This alliance has persisted for a long time because there can only be minor points of dispute between its three members; such disagreements exist only between Austria and Italy, since Austria still has an Italian-speaking population on the frontier with Italy. And this antagonism is intensified by the intrigues of Italian irredentists in Trieste and the Italian Tyrol. The conversion of this very loose international union into a firmer one cannot, therefore, be dismissed out of hand. We thus

* Quadflieg's italics.—*Ed.*

have the beginnings of a European association of states. Without any aggressive designs, three great European states have joined together to counter the attack of Slavism or, more precisely, the encroachment of Russia and of the small Slav Balkan states that follow Russia's lead" (pp. 248-49).

"The unity of the European continental powers, so necessary in face of the world powers, Britain and Russia, who are joined by a third, the United States of America, with its pan-American aspirations, which have made notable progress since the Monroe Doctrine, is in this way being frustrated. As long as the European states remain disunited, these three powers can go further in dividing up the rest of the world. The Anglo-Russian struggle in Asia showed that these two powers almost alone came into consideration, the other European states playing a very secondary role. As pointed out above, throughout the century Russia has, with short intervals, enlarged her empire first in one place and then in another. Equally, too, no decade has passed without Britain expanding her mighty empire, beginning with the occupation of Malta in 1800 and continuing up to the conquest of the Boer Republic in 1900. While Russia and Britain divided the non-European world between them, the North Americans have specially reserved for themselves the entire American continent as an object of conquest. Hence the Russian policy of conquest appears as merely the counterpart of British imperialism and North American pan-Americanism. Although outwardly differing in their individual aims, they all have the same ultimate goal—an independent world state cut off from the outside world by a high tariff wall. The movement to build world states began in the nineteenth century; in the twentieth century it will be the central feature of foreign policy. This tendency will manifest itself in the expansion of the leading powers and in the association of the smaller countries and those who arrive on the scene too late, i.e., in an association of the European states with the exception of Britain and Russia. Chamberlain's statement in his Johannesburg speech of January 17, 1903, will be confirmed: 'The day of small kingdoms with petty jealousies is past, the future is with the great empires'" (pp. 254-55).

NOTEBOOK "EGELHAAF"

EGELHAAF, *HISTORY OF RECENT TIMES*[83]

Gottlob Egelhaaf, *History of Recent Times from the Peace of Frankfurt to the Present Day*, 4th edition, Stuttgart, 1913.

Preface, November 1912

The author is a scoundrel, a Bismarckian. But the book is nonetheless very useful as a summary of facts and reference source. His simple summary provides a picture of *imperialism* and *democratic movements* as the chief distinguishing features of the *epoch*. (N.B. extremely important for an understanding of the epoch!!). Very little about socialism, owing to the author's hidebound reactionariness.

N.B. ||| Has a number of historical works, including a bulky volume on Wilhelm I and on *Bismarck*; also ***Outlines of History***—in three parts: ancient times, the Middle Ages, and the recent period, 1905-1909 (published in Leipzig),

N.B. ||| and *Annual Political Surveys*, 1908 etc. up to 1912.

It is highly characteristic that this idiot of an author, who with pedantic accuracy gives the dates, etc. of all minor monarchs, their relatives, the miscarriages of the Queen of the Netherlands (sic! p. **440**), etc., has not a word about the 1907 peasant uprising in Rumania (*)!!

(*) Incidentally. In the *Europäischer Geschichtskalender* for 1907 there are *only* government reports about the uprising (p. 340), which state that Russian sailors from the battleship *Potemkin* were "a dangerous element of ferment" (sic!!)....

The "Chronological Table" appended to the book has been compiled in an idiotic way, being a dry, *unsystematic* enumeration.

The following merits attention (outside the general system):

p. 5: Out of 5,000 million francs of the French indemnity (1871), the Germans used 120 million for the "war fund"

12 million—"for monetary rewards (grants) to 28 meritorious generals and to the President of the Imperial Chancellery, Delbrück". || sic! *monetary rewards for generals*, etc.

350 million—for fortresses and barracks....

17 million—to "shipowners who suffered losses owing to the war", etc. || civilised war and *plunder*

p. 7... "In the 1874 Reichstag elections, ten ultramontanes and five opponents of union were elected (in Alsace-Lorraine). On February 18 they attempted post factum to secure the holding of a popular referendum on whether the area should be part of France or Germany; the proposal was rejected without a debate by all against *23* votes." || N.B. !! !! on the question of self-determination

((Interesting to know who were these *23*? In the Reichstag elected on January 1, 1874, there were 15 "Alsace autonomists" + 9 Social-Democrats. 15 + 9 = 24?? (there was one Dane, 14 Poles, 4 Welfs).

Probably the Alsatians + the Social-Democrats voted *for*. Find out! Where? From Bebel?))

results of colonial wars:

The revolt of the Hereros (South-West Africa)—1904-December 1905. Their song: "To whom does Hereroland belong?" and the refrain: "Hereroland belongs to us." The German troops numbered up to 17,000 (pp. 298-99). The Hereros were "for the most part *wiped out*" (sic!)—"a serious loss for them and for us" (299), for "working hands" are lacking (!!)....

(rob the land and become landowners!)

"That the country is not without value and attraction is shown by the fact that, according to an official report of October 1906, *591 men* of the colonial army decided not to return to Germany, but to remain in the country as farmers and cattle-breeders. The number increased considerably in the following months, and since on May 10, 1907 the new Reichstag voted the farmers *5 million* marks compensation for war losses, rehabilitation could begin" (299).

1908, the British *together* with Germans in a colonial war!!

The uprising of the *Hottentots* (also in South-West Africa) from September 1904 to 1907. Some bands continued to resist until late December 1908 "necessitating renewed joint punitive measured by the German and British authorities" (300).

(workers of different countries)

The French Republic's hatred of Italy (because of the Pope, among other reasons) (and also this example): "in *August 1893* Italian workers in *Aigues Mortes* were beaten half dead by their French competitors" (345).

Electoral Reforms in Britain

Number of voters (millions)

0.4
0.8 ...1st *1832* (abolition of the "rotten boroughs". Electoral qualification. Increase in the number of voters from about 400,000 to 800,000)

Electoral reforms in Britain

1.5 ...2nd *1867* (number of voters increased from 1,056,000 to 1½ million. House-owners and householders).

4 ...3rd *1884* (number of voters increased 75%), from 1½ to *4* million. Qualification—annual payment of rates. Domestic servants, lodgers and others excluded. "Thus, out of about six million adult males in Britain, about two million were still voteless until 1912" (368).

6.5 ...4th *1912* (all males over *21* years of age, without the former distinctions; qualification—*half-yearly* payment of rates (p. 377) (cf. Schulthess's *Europäischer Geschichtskalender*))

(Introduced June 17, 1912 passed July 12, 1912 to come into force June 1, 1914 ((1832-1912, i.e., 80 years!))

criminal activity!!

A "trifle": Edward VII (1841-1910) "in early years was insatiable in dissipation often of a punishable kind (sic!!) and in sport" (425).

gem!!

The military campaign (1900-01) against the *Boxer* uprising in China (of the allied forces of *Russia*, *Japan*, *Germany*, *France*, *Britain* and the *United States*) was appraised by the French general *Frey* as follows: this campaign "has *for the first time translated into reality the dream of idealist* politicians—a *United States of the civilised world*" (469).... ((Letters of the Social-Democrats—"Huns' letters"—were, he says, lies or forgeries! (467) Well, of course!))

"United States of the civilised world" (!!!)

The Hague Conference and Korea!!!!

When the Korean prince (Yi Yong) appeared before the *Second* Hague Conference (which opened on June 15, 1907) with a complaint against the Japanese and a declaration of the independence of Korea, the Japanese deposed the Korean emperor, put his son on the throne, and on July 24, 1907, concluded a "treaty" with him, providing that all diplomatic relations shall be through the Japanese ambassador in Seoul.

Concerning the defeat of the revisionists at the Nuremberg Congress (1908) (258 to 119 *against* voting for the budget), the author, Egelhaaf, remarks:

"The *revisionists*, however, only differ from the radical Social-Democrats in their cautious tactics, meant not to frighten away the bourgeois masses and to go as far as possible with the bourgeois Lefts. They do not differ as regards the ultimate goal; complete socialisation, and because they claim to be moderate, *they are basically more dangerous than the 'wild men' of the extreme Left*" (523).

N.B.

opinion of a bourgeois: revisionists are "more dangerous than radical Social-Democrats"

N.B.

Bismarck favoured a republic in France for the sake of *separating* (N.B.) her from monarchical Russia—and the ambassador Count Harry *Arnim*, who "operated" in Paris *for* restoration of the monarchy, was *recalled* in 1874 (March 1874) and in 1875 was condemned to five years' penal servitude (!) for publishing a secret state document (he fled to Nice) (p. 93).

Bismarck *for* a republic in France

Ireland: in December 1796 General *Hoche* with an army of 20,000 appeared before the island and only storms prevented a landing (p. 380). (The French revolution evoked a movement in Ireland.)

N.B.!!

United States: 1775-83—war of liberation "with the help of France and Spain". 1819—"Spain sold her possession ... the peninsula of Florida to the United States for five million dollars" (p. 453).

not bad! ("ally"—and "buyer")

Literature cited: *Gilbert*, T*he South African War*, Paris, 1902.

CHIEF CRISES IN THE INTERNATIONAL POLICY OF THE GREAT POWERS AFTER 1870-71

Preparation for the war of 1914-16 ("landmarks")	(Chief) crises in the international policy of the Great Powers after 1870-71:	
1879: German-Austrian alliance	1877-78:	(Liberation of Balkan national states). *Turkey* plundered ("partitioned") (by *Russia* + Britain + Austria).
1891: Franco-Russian alliance	1885:	Russia on the verge of war with Britain. *Central Asia* plundered ("partitioned") (by *Russia* + Britain).
	1895:	(Sino-Japanese war.) *China* plundered ("partitioned"). (Japan + *Russia* + Britain + Germany + France.)
	1898:	Britain on the verge of war with France (Fashoda). *Africa* plundered ("partitioned")
	1904-05:	(Russo-Japanese war.) *China and Korea* plundered ("partitioned') (by *Russia* and Japan).
1907: Anglo-Russian alliance	1905:	Germany on the verge of war with France and Britain. *Morocco* plundered ("partitioned").
	1911:	Germany on the verge of war with France and Britain. *Morocco* plundered ("partitioned"). Morocco is *exchanged* for the Congo.

N.B. Secret treaty between Russia and Austria, January 15, 1877, for "partition" of Turkey....

N.B.: *1876*: Alexander II asks Bismarck whether Germany would be neutral in a war between Russia and Austria [Egelhaaf, p. 128].

January 10, 1891: British ultimatum to Portugal: Africa plundered ("partitioned").
1889: Seizure of Samoa islands (jointly by Britain, Germany and the U.S.A.).
1898: Spanish-American war. (Cuba and Philippines plundered.)
1898: Britain and Germany negotiate an alliance against Russia (could not agree!)
October 1898: Anglo-German treaty: Britain and Germany divide Portugal's colonies between them ("in the event of" her financial bankruptcy)....
1899: "Friction" between Germany, Britain and the U.S.A. over Samoa. Threats of war. Conflict. Treaty "partitioning" the islands: November 14, 1899.
1900: All the powers join to strangle China: Germany + Russia + U.S.A. + Japan + Britain + France.
1903: Debt payments are extorted from Venezuela (by bombardment): Germany + Britain + Italy.
1904: Anglo-French treaty (April 8): Britain and France divide Africa (preparing for war against Germany).
1907: Anglo-Russian treaty (August 31): Britain and Russia divide Persia, Afghanistan, Tibet (preparing for war against Germany).
1908: U.S.-Japanese treaty (November 28) guaranteeing their Pacific "possessions".
July 1910: Russo-Japanese treaty: Korea "exchanged" for Mongolia!
1911: Russo-German treaty (August 19): A kind of "double insurance" (Baghdad for Persia).
1911: Anglo-Japanese Treaty (Britain to be neutral in a war between Japan and the U.S.A.)... (see Franke in the symposium *Germany and the World War*).
September 17, 1914: "Treaty" between Russia and "independent" Mongolia. (Mongolia plundered.)

ESSAYED SUMMARY OF WORLD
((EGELHAAF AND

A		B	C	D	E
	War	Diplomacy	Colonial policy	Economic policy (trusts, etc.; customs agreements, etc.; large-scale concessions ...)	Workers' movement and socialist parties
1870	Franco-Prussian war (70-71).		(1866-67: Russia annexes Kokand.)		
			1868: Russia annexes Bukhara.		
		"Alliance of three emperors" (71).			Paris Commune (71).
		72: Meeting of three emperors in Berlin.			71-70: Trials of the Paris Communards.
			1873: Russia annexes Khiva.	73: Gold currency in Germany.	
-1875		1875: Franco-German conflict. Alexander II intervenes.		November 1875: Britain buys up Suez shares.	75: German S.D. Congress in Gotha. United party.
1876		76: Russo-German negotiations on Russian war against Austria.			
	77: Russo-Turkish war.	January 15, 1877: Austro-Russian treaty (on partition of Turkey).	77: Britain seizes the Transvaal.		

HISTORY DATA AFTER 1870
OTHER SOURCES))

F	G	H	I	K
Revolutionary movements (non-proletarian)	National movements and national question	Democratic reforms	Social reforms	Miscellaneous and comments
1868-71: Japan (Revolution and reform).	(1867: Agreement between Hungary and Austria).	61-72: Peasant reform and bourgeois-democratic reforms. *Russia*. 71: Beginning of the "Kulturkampf" in Germany (71-78). 71-79: Fight against royalists and clericalists in France (75: victory of the Republic). April 2, 1873: Electoral reform in Austria (four curias).		Sept. 20, 1870: Italy takes Rome.
73: Republic in Spain. Intervention of German naval officer Werner August 1, 1873. 74: Alphonso XII in Spain, and 74-76: Carlist War.	75: Uprising in Bosnia and Herzegovina.	75: Civil marriage introduced in Germany.		
	76: Uprising in Bulgaria.	March '76: Left Cabinet in Italy (Depretis) until '91.		
	77: Russo-Turkish war.	1877: Universal education law (Italy).		

A		B	C	D	E
	War	Diplomacy	Colonial policy	Economic policy (trusts, etc.; customs agreements, etc.; large-scale concessions ...)	Workers' movement and socialist parties
		78: Berlin Congress (Turkey plundered). Oct. 11, 1878: Austro-Prussian treaty (on annulling the Prague conditions about Denmark).	78: Britain seizes Cyprus.		78: Anti-Socialist Law in Germany (October 19).
	79: Britain's war against the Zulus.	79: Austro-German alliance (October 7, '*79*).	79: "Afrikanderbond" (union of Dutch in South Africa).	79: Protective tariff in Germany (alliance of industrialists and agrarians).	
-1880			80: Hamburg merchant Godeffroy founds trading company in *Samoa*. (Reichstag, April 27, '*80* refused a subsidy).		
1881	February 27, '*81*: Boer victory over the British (at Majuba Hill).	81 (August 81: 3): Britain recognises the independence of the Transvaal. 81: Russia subdues the Turkmens.	France seizes Tunisia. 81: Italy in *Assab*. ← 81		

Continuation

F	G	H	I	K
Revolutionary movements (non-proletarian)	National movements and national question	Democratic reforms	Social reforms	Miscellaneous and comments
		79: Resignation of Falk (end of the "Kulturkampf". See '87). 79: New court procedure introduced in Germany.		January 30, 1879: Resignation of Mac-Mahon. 79: Anti-Semitic movement in Germany (78: foundation of the Christian-Socialist Party).
March 1, 1881: Assassination of Alexander II.		81: Gladstone's Irish Land Bill.	81: Wilhelms I's message on social reforms.	

A		B	C	D	E
	War	Diplomacy	Colonial policy	Economic policy (trusts, etc.; customs agreements, etc.; large-scale concessions ...)	Workers' movement and socialist parties
		82: Great Britain seizes Egypt. 83: "Triple Alliance" (Germany + Austria + Italy) (May 20, 1882). 84: Meeting of 3 emperors in Skierniewice. November 15, '*84*. Berlin. Conference on the Congo: Africa partitioned. "Independence" of the Congo!!	84: Germany seizes South-West African colonies + Cameroons. 84: Russia annexes *Merv*.		
-1885	85: War between France and China (over Tonkin).		85: German dispute with Spain over Caroline Islands. 85: Britain seizes Bechuana (South Africa). 85: Italy in Massawa. 85: France seizes Tonkin. 85: Britain seizes Burma.	85: Shipping subsidies in Germany. 1880-88: Railway to Samarkand.	

Continuation

F	G	H	I	K
Revolutionary movements (non-proletarian)	National movements and national question	Democratic reforms	Social reforms	Miscellaneous and comments
	82: Prague University divided into Czech and German parts.	82: Secular schools in France.	83: Health insurance in Germany.	
		84: Gladstone's electoral reform.	84: Accident insurance in Germany.	

A		B	C	D	E
	War	Diplomacy	Colonial policy	Economic policy (trusts, etc.; customs agreements, etc.; large-scale concessions ...)	Workers' movement and socialist parties
1886	87: Russo-German "double insurance" treaty.			88: "Panama" in France. 88 (Oct. 4): Deutsche Bank obtains concession for Baghdad railway (to Angora). 89: Cecil Rhodes founds Chartered Co. of South Africa.	
-1890		90: Anglo-German treaty (exchange of Heligoland for part of Africa).			90: End of the Anti-Socialist Law in Germany.
1891		Jan. 10, '91: British ultimatum to Portugal (Africa plundered).		91: German trade agreements with Austria and other countries (customs duties lowered).	

Continuation

F	G	H	I	K
Revolutionary movements (non-proletarian)	National movements and national question	Democratic reforms	Social reforms	Miscellaneous and comments
	86: First Bill concerning the Poles (in Germany) (Settlement Commission).	86: Gladstone's first Home Rule Bill. 87: End of the "Kulturkampf" in Germany (May 23, 1887). 88: Democratic local self-government in Britain.	89: Old age insurance (in Germany).	86: Boulanger appointed Minister of War. 90: Fall of Bismarck.
		1891: Income tax in Germany.		

A		B	C	D	E
	War	Diplomacy	Colonial policy	Economic policy (trusts, etc.; customs agreements, etc.; large-scale concessions ...)	Workers' movement and socialist parties
		91: Franco-Russian alliance.		92: Currency reform in Austria.	
			93: France seizes *Dahomey*.	93: Deutsche Bank obtains further concession for Baghdad railway.	way strike in Holland.
-1895	94-95: Sino-Japanese war. 1895: French war against Madagascar.	95: Shimonoseki peace. 95: Treaty on Pamirs (of Russia and Afghanistan).		95: Wilhelm II Canal.*	
1896		96: Abyssinian victory over Italy (March 1) (peace treaty October 26, 1896).	96: Jameson Raid (Britain in South Africa). 96: Britain seizes *Ashanti*.		

* The Kiel Canal.—*Ed*.

Continuation

F	G	H	I	K
Revolutionary movements (non-proletarian)	National movements and national question	Democratic reforms	Social reforms	Miscellaneous and comments
	95: Uprising in Cuba.	92: Small-holdings Act in Britain. 93: Gladstone's Second Home Rule Bill. 93: Two years' military service (Germany). 1893: Electoral reform in Belgium (majority vote). 94: Start of Dreyfus affair (France). 94: Civil marriage introduced in Hungary. 1888-1895: Vatican's negotiations with the Quirinal. No agreement!		92: Party of the "Rallies" (to the Republic) in France. 93: Farmers' League (Germany).
		96: Badeni forms the fifth curia in the Austrian Parliament.		

	A War	B Diplomacy	C Colonial policy	D Economic policy (trusts, etc.; customs agreements, etc.; large-scale concessions ...)	E Workers' movement and socialist parties
-1900	97: Greco-Turkish war. 98: Spanish-American war. 99-1902: War between Great Britain and the Boers.	97: Austro-Russian agreement on the Balkans. 98: Fashoda (Great Britain and France divide Africa (March 21, 1899)).	97: France seizes Madagascar. 97: Germany seizes Kiaochow. 98: Wilhelm II in Jerusalem. 98 (?): Rising in Andijan. 99: Germany seizes Caroline, Sawaii and other islands.		
1901	1900-01: War against China (Boxer rising).	1902: Anglo-Japanese agreement.		1901: Completion of the Siberian railway. January 22, '02: Franco-German Co. obtains concession for Baghdad railway + shipping in Mesopotamia + mines.	

Continuation

F	G	H	I	K
Revolutionary movements (non-proletarian)	National movements and national question	Democratic reforms	Social reforms	Miscellaneous and comments
				97: Lueger becomes Mayor of Vienna.
	98: Second Bill concerning the Poles (Germany).	98: The "Away from Rome" movement in Austria.		98: First Navy Law (Germany). (April 30, 1898, Navy League founded).
	99: Subjugation of Finland.			
				1900: Second Navy Law in Germany.
	1902: Third Bill concerning the Poles (Gemany).	1901: "Commonwealth" of Australia. 1901: French law on associations (against Catholic orders.) 1902: Cancellation of the "Dictatorship Clause" in Alsace-Lorraine.		

A		B	C	D	E
	War	Diplomacy	Colonial policy	Economic policy (trusts, etc.; customs agreements, etc.; large-scale concessions ...)	Workers' movement and socialist parties
				1902: Customs tariff in Germany. 1903: Chamberlain urges customs union of the British Empire.	
	1904-07: War against the Hereros.	1904: Anglo-French agreement. 1904: Loubet in Italy.	1904: British in *Lhasa*.		
-1905	1904-05: Russo-Japanese war.	1905: Second Anglo-Japanese agreement.	1905: Wilhelm II in Tangier (Morocco).	1905: Germany concludes new trade agreements.	
1906		1906: Algeciras Conference.			
	1907: End of the war in Africa (against the Hereros, etc.).	1907: Agreement of France and Russia with Japan. 1907: Anglo-Russian agreement.		1907 (August): Court imposes $29 million fine on Standard Oil Co.	

Continuation

F	G	H	I	K
Revolutionary movements (non-proletarian)	National movements and national question	Democratic reforms	Social reforms	Miscellaneous and comments
	1903: Hungarian crisis (conflict with Austria over which language to be used in the army).	1903: Combes dissolves Catholic orders in France. 1903: *Irish* Bill (agrarian).		
1905: Revolution in Russia. 1905: Norway becomes a separate state.	← 1905	1905: Two years' military service in Germany. 1905: Separation of the church from the state in France.		
1906: parliament in Persia. 1907: Coup d'état in Russia.	1906-07: Schoolchildren's "strike" in Prussian Poland (about 50,000).	1906: Expense allowance for Reichstag deputies. (July 12, 1906: Dreyfus rehabilitated.) 1907: Universal suffrage in Austria. 1907: Agricultural Act in Britain (benefits smallholders).		

A		B	C	D	E
	War	Diplomacy	Colonial policy	Economic policy (trusts, etc.; customs agreements, etc.; large-scale concessions ...)	Workers' movement and socialist parties
		1908 (June 9 '08): Meeting of Edward VII and Nicholas II in Reval. 1908: US-Japanese agreement on the Pacific.			
		1909: Franco-German agreement on Morocco.			1909: Barricades in Barcelona and Madrid. Assassination of Ferrer (October 13).
-1910		1910: Potsdam meeting (of Wilhelm II and Nicholas II).	1910: Japan annexes Korea.		1910: Briand crushes railwaymen's strike.

Continuation

	F	G	H	I	K
	Revolutionary movements (non-proletarian)	National movements and national question	Democratic reforms	Social reforms	Miscellaneous and comments
	1908: Assassination of Carlos I in Portugal.	1908: Iceland demands independence from Denmark: allowed a parliament.			
	1908: Revolution in Turkey.	1908: Fourth Bill concerning the Poles (compulsory purchase).			
		1908: Annexation of Bosnia and Herzegovina by Austria.			
		1908: Bulgaria proclaims her independence.			
	1909: Overthrow of Abdul Hamid.		1909: New privileges for Irish farmers.		
	1909: Overthrow of the Shah in Persia.				
	1910: Republic in Portugal.	1910: Victory of National Party of Labour over the Party of Independents in Hungary.	1910: Conflict between Lower and Upper Houses of British Parliament.		
		1910: Finland's independence destroyed.			
!!		April 21, 1910: Belgian law on the Flemish language in secondary schools (in four Flemish provinces).			

	A	B	C	D	E
	War	Diplomacy	Colonial policy	Economic policy (trusts, etc.; customs agreements, etc.; large-scale concessions ...)	Workers' movement and socialist parties
1911	1911 (Sept. 29) (—Oct. 18, 1912): Turko-Italian war (Tripolitanian).	1911: Russo-German agreement on Persia.	1911: France and Spain "advance" in Morocco.	!! May 15, 1911: Court declares Standard Oil Co. illegal.	
		1911: Franco-German agreement on Morocco.			
	1912: Balkan wars (First and Second). (October 8-Oct. 17, 1912: declaration of war).				
			1913: Russian encroachment on Armenia.		
-1915	1914: European war.				

Continuation

F	G	H	I	K
Revolutionary movements (non-proletarian)	National movements and national question	Democratic reforms	Social reforms	Miscellaneous and comments
1912: Republic in China.		1911: Abolition (reduction) of privileges of British House of Lords. April 21, 1911: Separation of the church from the state in Portugal. 1912: Asquith's Home Rule Bill. May 25, 1912: Electoral reform in Italy (electorate increased from two to six million). June 17, 1912: Electoral reform in Britain (universal suffrage). April 11, 1912: Irish Home Rule adopted.	1911: Insurance Law in Britain.	

OUTLINE OF PLAN FOR "ESSAYED SUMMARY OF WORLD HISTORY DATA AFTER 1870"

I

3— I) Wars, diplomacy, colonial policy.
1— II) Economic policy (§ 8).
1—III) Workers' movement and socialist parties.
2—IV) *Other* revolutionary movements and other democratic national movements.
2— V) Democratic reforms, social reforms.

II

1) Wars.
2) Diplomacy....
3) Colonial policy.
4) Workers' movement and socialist parties.
5) Revolutionary movements (bourgeois), not only socialist.
6) Democratic reforms (including those directed against the church).
7) Social reforms.
8) Economic policy
trusts; tariff legislation; trade agreements; tariff wars.
9) National movement.

FROM THE NOTEBOOK "AUSTRIAN AGRICULTURAL STATISTICS", ETC.

DISTRIBUTION OF COLONIES AMONG THE IMPERIALIST STATES

Otto Hübner, *Geographical-Statistical Tables*, *1916*, and *The Statesman's Year-Book*, 1916 (=St.) (figures from Hübner).

EASTERN EUROPE AND ITS PART OF ASIA

		Sq. km. (000)	Population (000)	
(Asia) 35,559	Russia in Europe	5,452	140,841	Finland: 81.4% Finns 10.7% Swedes
	" " Asia	16,637	33,259	Turkmens, Uzbeks, Kirghiz, Tajiks
(Asia)	Russian vassal states (Khiva and Bukhara)	271	2,300	
	Total Russia . .	22,360	176,400	*43*% Great Russians, i.e., belonging to the ruling nation
	+Caspian and Aral seas . . .	506	—	Hübner gives 44.3% ???
	Austria-Hungary with Bosnia . .	677	51,390	12.0 mill. Germans 10.0 mill. Hungarians 22.0 million, i.e., *42.8*% belong to the ruling nation
Balkans:	Rumania	140	7,602	about 92% Rumanians in 1899
	Bulgaria	114	4,767	80.7% Bulgarians 10.7% Turks

		Sq. km. (000)	Population (000)	
	Greece (+Crete)	120	4,822	In the old region (before 1912) there were 1,850,000 Greeks out of a total of 1,980,000 = 93.4%
	+Samos[1]) . . .	0.5	53	
	Serbia	87	4,490	95.4% Serbs in *1910* (i.e., before 1912 war)
	Albania	28	850	"Albanians" (only ??)
	Montenegro . . .	14	435	Serbs, Turks, Arnauts
	Turkey in Europe	28	1,891	43% Turks
19,709 (Asia)	Turkey in Asia	1,767	19,709	33% Syrians, Arabs
55,268 (Asia)	All Turkey . . .	1,795	21,600	3: Russia + Austria + Turkey 249,390 6: Small Balkan states 23,019 272,409
	Eastern Europe		272,409	
+ 819,330	*Rest* of Asia			
874,598	China	1,139	329,618	mainly Chinese, and then "Punti"[84] Mongols, etc.
	Japan	674	72,673	mainly Japanese according to the Encyclopaedia > 99% of the population are Japanese)
including	Formosa	36	3,612	52,986 = Japan 19,687 = her colonies 72,673 = total
	Karafuto[85]	34	49	
	Kwangtung	3	517	
	Korea . .	218	15,509	

[1]) In Hübner included in Asia and given separately. In St. it is included in Greece.

semi-colonies (7 countries)

		Sq. km. (000)	Population (000)	
China: 329,618 + 27,049 = 356,667	1. Persia	1,645	9,500	
	2. Siam	600	8,149	— Siamese 1,800 Chinese 1,400 etc.
	3. Afghanistan	624	4,450	— Afghans 351,000 Tajiks 225,000, etc.
	4. Nepal	154	3,000	— Mongols and Indians
	5. Oman	212	1,000	— Arabs, Indians, Persians, Negroes
	6. Independent Arabia	2,279	950	—...?
7	British possessions	5,265	324,879	including 4) India 315,961 Ceylon 4,263
2	Dutch "	1,521	37,717	— about 98% natives
5	French "	803	17,267	
3	Portuguese "	23	980	
1	German 2) "	0.6	209	= 389,990 = Σ in European colonies in Asia
1	U.S. possession (Philippines)	296	8,938	+ 19,687 = Japanese colonies
			819,330	409,677 = Σ in colonies in Asia
				+ 356,667 = semi-colonies
				52,986 = Japan
				819,330

approximate number of "states" ("etwa")

2) Kiao-chow—0.5 and 192,000 + Tientsin—0.1 and 17,000

4) In British India in 1911 there were more than 100 ethnic groups; out of 313.3 million—74 per cent Aryan Indians.

Africa

	Sq. km. (000)	Population (000)	
French possessions	9,660	38,500	—85.8% Arabs, etc.
Algeria	575	5,564	8.9% French
			—88.4% natives
Tunisia	125	1,957	
Morocco	500	5,000	
West and Equatorial Africa	5,352	21,895	
East Africa	714	3,635	
British possessions	—	51,660	
Union of South Africa	1,222	6,212	
Nigeria	869	17,471	
Gold Coast	309	1,502	
Zanzibar	2	199	
Others	3,788	11,507	
Egypt	3,485	14,726	—92.7% Egyptians
+ Sinai	59	31	
+ Thasos[3])	0.3	12	
Belgian Congo	2,365	15,003	Negroes and minor groups
German possessions	2,707	11,527	
Portuguese "	2,070	8,352	
Italian "	1,590	1,368	36,839
Tripolitania	1,100	723	
Eritrea and Somali	490	645	
Spanish possessions	560	589	
Morocco (Tangier)	0.6	60	Mainly Arabs
Abyssinia	1,120	8,000	9,560 = "semi-colonies"
Liberia	95	1,500	
Three lakes (Chad, Tanganyika, Nyasa)	87	—	all the rest in Africa = colonies
		136,559	

Africa

French colonies	38,500
British colonies	51,660
Other colonies	36,839
Semi-colonies	9,560
	136,559

All African colonies = *126,999*

[3]) Hübner includes Sinai in Asia, Thasos in Europe and does *not* regard Egypt as a "British possession". *St.* puts Egypt as a British possession.

	Sq. km. (000)	Population (000)	
Western Europe + Great Britain + Japan	without colonies	with colonies	semi-colonies 9,560 in Africa + 356,667 in Asia = 366,227
1871-1876 — —	(8 out of 14)	6	3+7=10 countries = *all semi-colonies*
1914-1916 — —	(3 out of 14)	11	
Australia and Oceania			
British possessions:	8,261	6,675	
(Australian Commonwealth	7,704	4,922	— 82.3% Australians
New Zealand	271	1,085	— 69.7% New Zealanders
Fiji Islands	19	154	
German possessions	245	641	
Dutch possessions	395	240	
U.S. "	17.4	228	
Hawaii	16.7	208	
Tutuila	0.2	7	
Guam	0.5	13	
French possessions	23	81	
Unoccupied islands	13	—	
Total Australia and Polynesia:	8,955	7,865	
Asia		409,677	
Africa		126,999	
Europe		250	
America		12,306	
Total colonies		557,097	
Western Europe			
1. Germany	548	64,926	92.5% Germans. About 5 million "alien" nations. Poles — — 5.47% French — — 0.37 Danes — — 0.25 Population of Alsace-Lorraine = 1,871,000
2. Great Britain including European colonies Gibraltar, Malta, Gozo and Comino	318 (0.3	46,813 250)	95% English language *Ireland* 83,000 sq. km. *4,375,000* population = 4.4 million
3. France	536	39,602	93.7% French [2] Italians 1.3% [2] N.B.
4. Italy	287	35,598	99. 1% Italians
5. Spain (+Canary and Presidio Islands)	504	20,366	96.6% Spaniards

[2]) Data for 1881.

		Sq. km. (000)	Population (000)	
6.	Belgium	29	7,571	43.4% Flemings (3) 38.1 French 81.5% by language only 53% Flemings
7.	Holland	34	6,213	98.8% Dutch
	(+coastal waters)	7	—	
8.	Portugal (+Azores and Madeira)	92	5,960	99.5% Portuguese
9.	Sweden	448	5,639	99.4% Swedes Finns — 25,000 Lapps — 7,000
10.	Denmark (+Faroe Islands and Iceland)	145	2,860	96.3% Danes (*born in Denmark*)
11.	Norway	323	2,358	98.9% Norwegians
Σ=310 +2[1]	12. Luxemburg	2	260	93.1% Germans
	13. Monaco	0.001	23	(Italians, French, etc.)
	14. Marino	0.06	11	(Italians)
	15. Liechtenstein	0.1	11	(Germans)
	16. Andorra	0.4	5	(Spaniards)
17.	*Switzerland*	41	3,765	69% Germans 21.1% French 8.0% Italians } 98.1% 31%? "alien" nations
	Total Western Europe		242,161	

[1]) Hübner adds also "Thasos (to Egypt)". I include it in Egypt, in Africa. (3) In Belgium, 43.4% spoke *only* Flemish and 38.1% *only* French. Ergo, approximately: 43.4% of 81.5=53.2% Flemings in the population.

Western Europe

17—5 midget=12
Of which, without colonies (9, 11, 17) i.e. 3
9 with colonies
In 1876 (1, 4, 6, 9, 11, 17) i.e. **6** were without colonies
6 with colonies

No colonies:	Sweden	5.6	million population
	Denmark	2.9	" "
	Norway	2.3	" "
	Switzerland	3.8	" "
		14.6	

America

	Sq. km. (000)	Population (000)			
United States (without Hawaii)	9,369	98,902		74.3%	Americans
				88.7%	whites
+lakes and coastal waters	241	—		74.3%	Americans
				14.4%	foreign-born
				10.8%	Negroes and mulattos
				0.3%	Indians
Panama Canal zone	1	63			
Puerto Rico	9	1,184			in this column year of inde-
Total U.S.A.		100,149	(1783)	←	pendence
Brazil	8,497	24,908	(1829)	40%	whites
				55.9%	Indians, half-breeds, etc.
Mexico	1,985	15,502	(1823)	99.3%	Mexicans
Argentina	2,950	7,468	(1810)	78.5%	Argentinians
				16%	French, Spaniards and Italians
Peru	1,834	5,580	(1821)	86.4%	Indians, half-breeds, mulattos
				12%	whites
Colombia	1,206	5,071	(1819)	10%	whites
				90%	half-breeds, Negroes, Indians
Chile	758	3,505	(1820)		Creoles, half-breeds, etc.
Venezuela	1,020	2,756	(1813)	99%	mulattos
				1%	Creoles
Haiti (western part of Haiti island)	29	2,500	(1820)	90%	Negroes
Cuba	114	2,469	(1902)	66.4%	whites
				33%	Negroes, mulattos
Bolivia	1,470	2,521	(1825)	77.8%	Indians, half-breeds, etc.
				12.8%	whites
Guatemala	113	2,119	(1821)	65%	Ladins
				35%	Indians
Ecuador	307	1,500	(1822)	53%	Indians, Negroes, etc.
				33%	Spaniards and half-breeds

	Sq. km. (000)	Population (000)			
Uruguay	187	1,279	(1828)		"whites and mixed" "Foreigners, 181,000
Salvador	21	1,226	(1821)		mainly mixed and Negroes
Paraguay	253	752	(1811)	> 90%	whites and mixed
Dominican Republic	48	708	(1843)		mainly Creoles and mulattos
Honduras	115	566	(1821)	95%	Indians and mixed
Nicaragua	128	460	(1821)	99%	Indians, Negroes, etc.
				1%	Europeans
Costa Rica	48	411	(1821)	99.5%	Creoles, Indians, Negroes
Panama	86	364	(1903)		about 9/10 mixed, Negroes and Indians

British possessions	8,962	10,431*	
Canada	8,528	8,075	British since 1763 54% Britons 28.5% French 1.5% Indians
Newfoundland and Labrador	129	245	British since 1713
West Indies	32	1,752	Jamaica Spanish since 1494 British " 1659
Guiana	234	305	Dutch " 1667 British " 1803
Honduras	22	41	British " 1786
Falkland Islands and Bermuda	17	24	Falklands British since 1833
French possessions	91	460	French 1674
Dutch "	130	141	Dutch 1667

* So given by Hübner.—*Ed.*

	Sq. km. (000)	Population (000)
Danish West Indies	0.3	27
All America:	39,977	192,873
United States		98,902
all colonies		12,306
rest of America		81,665

All colonies in America:	
British	10,431
French	460
Dutch	141
Danish	27
United States	63
	1,184
	12,306

	Types: Groups of countries	No. of states		Population (million)		% of oppressed nations		Epoch of national and democratic movements
I	Western Europe	(12) 17	19	242	394	7%	7%	*1789* (1789. 1848) 1566 (*)-1871
I	United States of America	1		99		11%		*1783*-1865
I	Japan	1		53		0%		-1871
II	Eastern Europe and its part of Asia	9		272		53%		(1848) *1905*. 1909*
II	South and Central America	20		82		?		(1823-1911)**
III	Semi-colonies	10		366		?		*1911**
III	Colonies	? about (60)?		557		100%		(?) Twentieth century*
	Total	(118)		1,671				

(*) 1566 = beginning of the Dutch revolution.

* See p. 718 of this volume.—*Ed.*
** Ibid., pp. 713-14.—*Ed.*

Whole world:

	Sq. km. (000)	*Population* (000)
Asia	44,450	874,928
Europe	9,977	459,261
Africa	29,888	136,438
America	39,977	192,873
Australia	8,954	7,865
Polar regions	12,669	15
Whole world	145,917	1,671,380

(1916) *Colonies* (population in thousands)

	Europe	Asia	Africa	Australia	America	Total	had no colonies in 1871
Great Britain	250	324,879	51,660	6,675	10,421	393,895	
France	—	17,267	38,500	81	460	56,508*	*6,000* in 1876
Holland	—	37,717	—	240	141	38,098	
Portugal	—	980	8,352	—	—	9,332	
Germany	—	209	11,527	641	—	12,377	—
U.S.A.	—	8,938	—	228	1,247	10,413	—
Japan	—	19,687	—	—	—	19,687	—
Denmark	—	—	—	—	27	27	
Belgium	—	—	15,003	—	—	15,003	—
Italy	—	—	1,368	—	—	1,368	—
Spain	—	—	589	—	—	589	

		Population (000)
393,895	1. Great Britain	393,895
+56,508	2. France	56,508
450,403	3. Holland	38,098
	4. Portugal	9,332
	5. Germany	12,377
	6. United States	10,413
	7. Japan	19,687
	8. Denmark	27
	9. Belgium	15,003
	10. Italy	1,368
	11. Spain	589
	Total colonies:	557,297

* So given in the MS.—*Ed.*

Total colonies =	557 million	Including India =	320 million
Semi-colonies =	366 "	" China =	330 "
Together	923 "	China + India	650 "

Denmark has now (December 1916) dropped out of the list of colonial countries (? but Iceland [akin by nationality]).

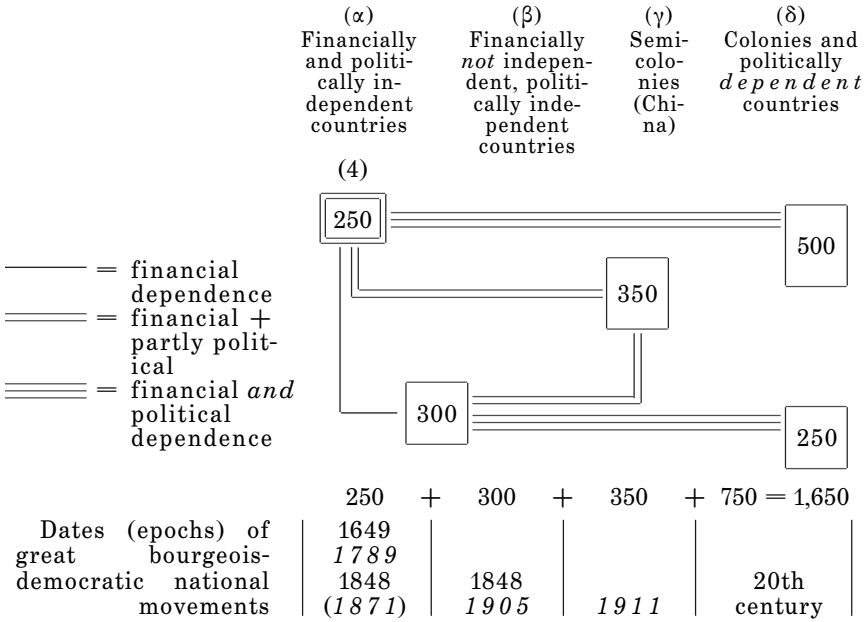
Out of 10 countries with colonies, *five* acquired them *only* after 1871. N.B.

Capital abroad, 000 million francs (1913)		(4) Richest countries	Population (millions)	Colonies (millions)	% of colonial peoples to population	Order in level of capitalist development	Output of pig-iron (million tons)	Length of railways (states + colonies) (000 km.)
Arndt ε 1 *								
75	78.7	1. Great Britain	47	394	842%	3	9.0	207.8
60	40.0	2. France . . .	40	56	141%	4	4.9	63.5
44	32.5	3. Germany . .	65	12.5	20%	2	17.6	67.9
179								
	10.0?	4. U.S.A. . . .	100	10.4	10%	1	30.2	412.7
	161.2	ἀἀΣ=	252	473				
	Isch-chanian δ 14**							
		Other colonial powers . . .	129	84	65%			
			381	557				

* See p. 271 of this volume.—*Ed.*

** Ibid., p. 269.—*Ed.*

Diagrammatic picture of the division of the world (in relation to national development)



α = not < *160*,000 million (??) francs of capital abroad. Not less than *300*,000 million francs!!

α) Four countries: Great Britain + Germany + France + U.S.A. = 252 million population.
They have colonies with *473* million population.

β) 128 million in Eastern Europe (Russia + Austria + Turkey) ═══ 144 million dependent
+ 129 million in West-Euro- +
pean small countries ═══ 84 million colonies
257 228
50 Japan
307 + part of South and Central *America*.

(γ) China + semi-colonial part.

(δ) 557 colonies + 144 = 701 million dependent + part of South and Central *America* + part of semi-colonies.

NOTEBOOK
"DATA ON PERSIA" [86]

Contents

DEMORGNY, *THE PERSIAN QUESTION AND THE WAR*

G. *Demorgny*, *The Persian Question and the War*, Paris, 1916.

((The author is a legal adviser to the Persian Government and professor of the Teheran School of Political Science. Also author of many books and articles on Persia—both in Persian and French.))

Highly instructive as a description of the truly miserable state of Persia, shamelessly humiliated and robbed by *three*—primarily—Great Powers. Russia, Great Britain and Germany. The author is, of course, wholly a French "patriot". All the more interesting, therefore, is his ruthless and compelled exposure of the *conflict*—a most bitter conflict—*between Russia and Great Britain*.

Formally, Persia is neutral in this war. In actual fact, however, both the Russians and the British, on the one hand, and the Turks and the Germans, on the other, are *fighting* and plundering on *Persian territory*.

p. *277*: August 27, 1915; the German Vice-consul Schoenemann attacks the Russian and British consuls, etc. N.B.!!

The book has a map of Persia showing the Russian and British "zones of influence".

The treaty between Russia and Great Britain (1907) demarcating their respective "spheres of influence" in Persia did not satisfy them ("the implementation (of the 1907 treaty) did not achieve the aim" (67))—their conflict and mutual distrust continued ("Anglo-Russian rivalry", p. 64 and passim). Germany exploited this, and her treaty with Russia (the Potsdam meeting, *1910*) was "a triumph for German diplomacy" (p. 57)—an attempt to divide Persia between Germany and Russia. "We shall divide Persia between us and oust Great Britain" (57)—thus Demorgny sums up the content (more correctly: the meaning and substance) of this treaty.

"Anglo-Indian imperialism" (p. *65* et seq.).

Great Britain is actually in full control of the "neutral zone", too (within Persia), and the struggle with Russia continues.

"Beginning with the government, everything of importance in the country joins either the Russian, German or British clientele" (78).

There are frequent quotations from *The Strangling of Persia*, by *Morgan Shuster*, New York, 1912. The Russians accused him of "dictatorial" behaviour and forced him to leave the country (January 11, 1912). The British tried to defend him but with no success. The author calls his book "bitter" ("a bitter book against Persia, Russia, Great Britain and Germany" (86)) and says that he "did not understand the situation", that he was "no diplomat" (a "poor diplomat" (85)).

Foreign powers cannot obtain concessions in Persia without the consent of Russia or Great Britain (80).

Let us (French) not forget *Syria* in our calculations (82)....

The consuls (of the three Great Powers) resort to shameless intrigues, hire gangs, incite conflicts, "consular fury" (p. 110 and elsewhere), slander "moderate" ambassadors, etc. (p. 89 and elsewhere, about Russia).

N.B.! well said!

"The aim is control over the national finances. This has become a new and very fashionable formula for a disguised protectorate" (93, note).

"Russian imperialism" (p. 120, etc.).... ||| N.B.

..."The Dzhulfa—Tabriz—Rezaiyeh—Teheran railway concession was granted on January 24 (February 6), 1913, to the Russian Discount Bank in Teheran" (168)....

"From 1912-14 Anglo-Russian rivalry in Persia has continued in the same forms" (196).

"There was also the much discussed question of a big trans-Persian railway.... Anglo-Russian rivalry on this issue, skilfully fostered by the Persian Government, was adroitly exploited by Germany. On this issue, too, French interests have up to now been subordinated to the secret machinations of certain financial groups" (262)....

"On December 24" (1915 or 19*14*?) "a bomb intended to destroy the Russian, French, Belgian and British ministers was exploded in Teheran, but the attempt failed and the bomb killed one of the participants in the plot, which was organised by a German-Turkish gang. The German Legation was not discouraged, it recruited a thousand bandits at ninety francs per month each and gave them weapons. These men hastened to sell the rifles and cartridges and make off" (273).

A meeting of Russian industrialists in Moscow on November 23, 1910, was opposed to a trans-Persian railway, because, they argued, it would facilitate British and German competition (266-67). ||| sic!!

(In Persia now, 1915) "there are no longer spheres of influence, the Russians and the British now help one another against the Germans. Three hundred Cossacks have left Meshed in pursuit of four German officers and 83 Bakhtiars, who recently left Meshed for Afghanistan, where they want to instigate an uprising" (296). | N.B. N.B.

Etc., etc.

There are figures on Persia's trade. Total turnover is 628 million krans (1 kran = 0.45 franc).

1) Russia—63% of total trade (p. 247)
2) Great Britain—25%
3) Turkey—9%
4) Germany (24 million krans)
5) France (11)
6) Italy.

JAEGER, *PERSIA AND THE PERSIAN QUESTION*

Professor Dr. *Th. Jaeger* (Hamburg), *Persia and the Persian Question*, Weimar, 1916 (Deutsche Orientbücherei. Published by Ernst Jäckh, XIV) (179 pp.).

N.B.: Better than the preceding book.

A very good, comprehensive, clear account, with precise information and frequent citation of documents. An excellent map of Persia, showing Russian and British zones of influence. The author, of course, is an imperialist scoundrel.

N.B. Reference is made to *Persia and the European War.* by a "Persian patriot" (price ? Place of publication?), which appeared while Jaeger's book was being printed.

Various quotations from *Curzon*'s book *Persia*, London, 1892. Two vols.

Jaeger's book begins with a quotation from the "Testament of Peter the Great", which Napoleon I "dictated in the form of theses when in 1812 he had to condition public opinion to accept his campaign against Russia" (p. 9).

1722-23: Peter the Great conquers Derbent, Baku, Resht and the greater part of Gilan (North-Western province of Persia, bordering on the Caspian Sea).

1735—Gilan, Derbent, Baku are returned to Persia.

1802—Georgia becomes a Russian province.

1800—Napoleon I and Paul I plan to attack India,

1807—Napoleon I's military mission to Persia (70 officers, etc., led by General *Gardanne*).

1808—Britain sends a special envoy to Persia, and helps Persia in her war against Russia.

1813—Persia defeated in the war against Russia. Gulistan Peace. Persia surrenders Derbent, Baku, etc., etc. Undertakes not to keep naval vessels in the Caspian Sea.

1814—Anglo-Persian treaty; a "defensive and offensive. alliance" (13)....

1825—War between Persia and Russia (which, he says, drew Persia into a war just as Britain did the Boers in

1899). Britain tricked Persia: this development does not come under our treaty!!

1828—Persia defeated in the war against Russia Turkmanchai Peace (Persia surrenders Nakhichevan, Yerevan, etc.); £3,500,000 war indemnity.

1890—Britain (a British company) obtains a 50-year tobacco monopoly concession for 300,000 marks + one-quarter of net profit.

With a capital of 13,000,000 marks, the company obtained a *net* profit, after all deductions, of 7,500,000, *i.e.*, > *50* per cent (p. 17). || good example!!

Popular disturbances as a result of this, etc. ("several hundred killed"!! p. 17)—the concession was bought by the Persian Government in 1892 for 10,000,000 marks (!!). The ten million marks were borrowed from Britain at 6 per cent!!! ||

August 5, 1906. The Persian Shah promised the people a constitution and a parliament.

1909. British insistence compels the recall from Persia of Russia's representative, *von Hartwig*, who had been most unscrupulously fomenting intrigues, etc. (He was transferred to Belgrade, where he was "one of the chief instigators of the assassination of the Archduke, the heir to the throne, and his wife", p. 21)

June 23, 1908. Coup d'état in Persia. Mejlis dissolved, with the help of Lyakhov.

May 31-June 13, 1908—Lyakhov's letter to the general headquarters of the Caucasian military area (full text)—from *Browne*: *The Persian Revolution, 1905-09*, Cambridge, 1910, p. 222. A *most brazen* plan for counter-revolution in Persia, bribery, pogroms, etc. ((pp. 26-28 in Jaeger)). || N.B.

November 29, 1911—Russia's ultimatum (the second) (to Persia): expulsion of Morgan Shuster, etc.

Russia steadily advances in Azerbaijan. (Railway from Dzhulfa to Tabriz begun.)

A series of quotations from Browne about the shameless robbery and violence committed by the Cossacks (38 et seq.).... The Cossacks hanged Moslem priests (41), etc.!!

Letter of a Frenchman on the same subject (*Siècle*, *January 11, 1910*)—p. 39.

Swedish gendarmerie called in to preserve order... (42). 1914—The Russians settle Russian peasants in Azerbaijan....

Persia has neither a "modern civil service" nor "money" (49). The collection of taxes is put up for *purchase*. Quotes *Morgan Shuster*: *The Strangling of Persia*, 1912. ((At a Cabinet meeting Morgan exposed one of the ministers of having accepted a bribe of 83,000 tomans = 332,000 marks. The reply: I did not know about it, it was done by my private secretary!)).

N.B.

The *Belgian* customs officials act in the same way (de *Naus* bought himself a castle with money "earned" in Persia (53)).

Persia = 1,645,000 sq. km.

Population—four million ("probably") (ten million is an exaggeration, p. 60).

	1900-01		1912-13
Persia's trade: exports	60.2	mill. marks	165.8
imports	119.4	" "	215.7
Σ =	179.6		381.5
including Russia			62.7%
Britain			20.9%
			83.6%
Persian imports from Germany	0.9	mill. marks	4.6
Russia	45.5	— — —	131.6
British Empire	50.1	— — —	60.0
France	9.5	— — —	4.4
Turkey	5	— — —	9.5
Persian exports to Germany	0.07	— — —	7.8
Russia	35.3	———	120.0
British Empire	10.2	———	20.3
France	2.6	———	1.9
Turkey	7.2	———	15.3

Russia treats Persia as her "own" land, and does not allow free transit to Persia (67)....

The way round this is to send goods by *parcel post*:

	total		including Germany	
(pp. 68-69) 1904 —	10	————	1	!!
1913 —	384,318		193,816	

Russia tried to prohibit parcel post transit from February 1, 1914, but met with opposition from *all* the powers (including Britain and France), and had to give way (pp. 70-71). N.B.!!

In 1902 Russia concluded a trade treaty with Persia by which she ensured a market for "her" sugar, oil, etc. (71)....

Morgan Shuster says this tariff is extremely harmful for Persia and profitable for Russia (73)—(p. 270 of Shuster's book)....

Russia thus ensures herself a *monopoly* (74) in North Persia, compelling the Persians to pay high prices for trashy goods!! !!

The struggle for influence in Persia: (Russian, French, German) schools, (Russian, British, German) hospitals, etc. German *chemists' shops* (88), rug marketing company (89)

Russian annexations in Central Asia from 1861 to 1891 (1911 estimates)

			Sq. km.	Population
(1869-73)		Transcaspian region	598,090	451,000
		Bukhara——	203,430	1,500,000
	(1873)	Khiva———	67,430	800,000
		Syr-Darya—	489,240	1,874,000
{ 1884 }	(1875-76)	Ferghana—	142,790	2,069,000
{ *Merv* }		Samarkand—	87,560	1,184,000
			1,588,540	7,878,000

May 5, *1903*. Lord *Lamington*'s speech in the House of Lords (p. 100 et seq.) (against Russia: we need the Persian Gulf—it is the defence of the Indian frontier...)

Also speech of Lord *Ellenborough*:

..."I should prefer to see Russia in Constantinople than a European arsenal on the shores of the Persian Gulf" (111). N.B.

Anglo-Russian treaty of *August 31, 1907* (text: p. 114 et seq.) ("Anglo-Russian treaty on partition")....

Russian zone—790,000 sq. km.

British zone—355,000 " " (p. 119)....

Note of the *British* and Russian ambassadors to Persia (of February 18, 1912)—p. 124 et seq.—loans of £100,000 are granted by each at ***seven*** per cent!!!, etc. ... Of course, the ministers, Russian placemen, *agree*!! 7%

The Potsdam treaty of *August 19, 1911*—(text: 130 et seq.). Germany recognises Russia's zone in Persia, Russia agrees not to oppose the Baghdad railway.

Reichs Chancellor's speech in the Reichstag (December 10, 1910) on the same subject....

(Russia shares with Britain, but afterwards re-insures with Germany!!)) double insurance!!

Germany needs a road to Persia and India—only for trade, of course, only!!—The Baghdad railway ends in the Gulf, that will not do, the Gulf can be closed by Britain. The railway must end in Bandar Abbas (!!).

Oman is, in fact, in British hands (p. 144).

Tabriz (population 220,000). Trade (1906-07):

exports—23.4 million marks	
imports—30.9 " "	
including Russia	34.0%
Great Britain	31
Austria	10
Turkey	4.2
France	3
Italy	5.6
Germany	4.5
	Σ=92.3 (p. 150)

(This, author says, is below Germany's trading capacity.)

1914 *s u m m e r*: treaty on the division of railways in Asia Minor.

(p. 151)!! France gets *4,5 2 2* km. of railways in Turkey. Germany—*4,9 0 9* km.

Afghanistan—a mountainous region.

624,000 sq. km. *4,450,000* inhabitants. *N o m i n a l l y* she is completely *i n d e p e n d e n t*. In reality all *foreign* policy is in the hands of Great Britain; the Emir is on Britain's *pay-roll*. Under the Anglo-Russian treaty (August 31, 1907), Britain recognised freedom of trade in Afghanistan, and Russia recognised Afghanistan as being "*outside her sphere of influence*".

The British do not even allow foreigners to enter! Afghanistan (!! p. 154).

Militarily, the Afghans "should by no means be underestimated as adversaries" (157).

Britain treats them with the greatest caution: "In this one sees the wisdom of Britain's 'velvet glove' policy, for the British could not behave to anyone more tolerantly and cautiously than they have to him" (the Emir of Afghanistan) (158). ***N.B.***

Turkestan (= Central Asia). The Urals, Turgai, Akmolinsk, Semipalatinsk, Ferghana, Samarkand, Semirechye, Syr-Darya, and Transcaspian regions (p. 161).
—3,488,530 sq. km. and 10,957,400
+Khiva and Bukhara

ΣΣά= 3,760,000 sq. km., 13¼ million inhabitants.

The population is almost exclusively Moslem. "A special diplomatic mission from these countries, notably from the Kirghiz region, is now touring the Courts of the Quadruple Alliance powers, and of the neutral states, to put their complaints against Russian oppression and to *demand* liberation from the Russian yoke and *the restoration of their old states*" (162). N.B.

On Turkestan, author refers to the German translation of the "memorandum" (Krivoshein's?), and "*Russian Turkestan*", the report of the Belgian consul, (*Recueil Consulaire de Belgique*, Brussels, Vol. 160, 1912). N.B.

The Anglo-Russian agreement on *Tibet* (same year, 1907).—Both sides recognise the sovereign rights of China (text, p. 169), the territorial integrity of Tibet, etc., etc. (this shifts the struggle for Tibet to the "Court" in Peking)....

"The Baghdad railway issue ... becomes a Persian issue" (173)....

Baluchistan is nominally independent. Great Britain owns the railway and *200* yards of "British territory" ("leased"!!) on each side. The country maintains "the closest relations of friendship and alliance with Britain", (the country) "has, of course, put its whole foreign policy entirely in her (Britain's) hands, but for the rest is as much an independent native state as, say, Afghanistan or Nepal" (174-75). !!

The author's conclusion:

"As against that" (in contrast to wicked Britain and Russia) "Germany's desire can only be not to insert herself as a third force between the two brothers—Russia and Britain—so that under certain circumstances, she shall not be attacked there by both of them; on the contrary, Germany's aim, as in all similar cases (Turkey, Morocco), can only be a strong, independent Persia with equal rights for all, at most with some special privileges for Germany" (176)....

ha-ha!!!

"only" !!!

	German exports to Turkey	Turkish exports to Germany
	1882 — — — 5.9	1.2 million marks
	1887 — — — 12	3.2
!!	1891 — — — 37	13.5
	1900 — — — 34.4	30.5
	1912 — — — 98.4	74.0 (p. 179).

July 17, 1914: The British House of Commons adopts (by 254 votes to 18) a government proposal to buy shares of the Anglo-Persian Oil Company (rich oil deposits along the River Karun). The author compares this to the purchase of Suez Canal shares.

p. 158-59: The testament of the old Afghan Emir (Abd-ur-Rahman)—must strive for an alliance of Persia, Turkey and Afghanistan to safeguard the whole Moslem world against Russia....

N.B.

MISCELLANEOUS NOTES
1912-16

The notes were made in 1912-16
in Russian, German, English
French and other languages

First published in 1936-37
in *Lenin Miscellanies XXIX*, *XXX*

Published according
to the manuscripts

PLAN OF AN ARTICLE ON SYNDICATES[87]

1. Growth of prices. Robbery. "Strike." Golubyatnikov....

Markov II and the Liberals

2. Syndicates (a "world-wide phenomenon") in Europe (America) and Russia
   (a) development of production
   (b) home market. Poverty of farmers and peasants
   (e) position of the workers. Deprived of rights
   (d) political freedom.
3. Syndicates and "**bureaucracy**".
4. Oil and sugar syndicates versus landowners... (syndicate of feudal landowners).
5. Syndicates and the *Urals*....
6. The official liberalism (or the liberal-bureaucratic view) ("pogrom socialism") versus class struggle. Bureaucratic carrion and *life*.
7. Thieves and thief solidarity.

7 *bis*. Capitalism and syndicates.

8. Means: (1) opening of frontiers
   (2) twenty million for workers' housing in the coal and oil areas
   (3) state industry and democratic control
(5) (4) labour unions and political freedom
(4) (5) enquiry and public commissions and full exposure.

OIL OUTPUT AND PRICES IN AMERICA

Statistical Abstract of the United States, pp. 211 and *223*. *Yezhegodnik* "*Rechi*", p. 681.

1900

75,752,691 dollars÷63,620,529 = 1.19 dollars

2 rubles 38 kopeks÷8 =29 (30) kopeks per pood
517 million poods. "*Rech*" *Annual*, p. 681
5,170÷636 = 8.1 poods per *barrel*

{Probably, there are more than 8 poods of oil in a *barrel*}

1907

1,407÷166 = 8.5 poods per barrel

1908 1,512.0 million poods÷178.5 = 8.5 poods

1909 per barrel
1,455 million poods÷183 = (8) 7.9 poods per barrel

1910

127,896,328 dollars÷209,556,048 barrels
= 0.61 dollar (crude petroleum)
61 cents per barrel (= 42 gallons)
1 gallon = $^{61}/_{42}$ = 1.4 cents.

1,714 million poods. *Yezhegodnik* "*Rechi*", p. 681
1,714÷209 = 8.1 poods per *barrel*
61 cents (about 1 ruble 22 kopeks per barrel)
122÷8 = 15 kopeks per pood

BEBEL ON A WAR OF GERMANY AGAINST RUSSIA[88]

Bebel, *in 1886, in favour of a war against Russia.*

Die Neue Zeit, *1886* (November 1886) (4th year (No. 11)), pp. 502-15, carried an article by Bebel: "Germany, Russia and the Eastern Question."

It advocates a (so to speak) "preventive" *war of Germany against Russia and France.*

In 1878, "one should have gone still further" (p. 513, column 1), i.e., not only moderate Russia's demands, but snatch the newly founded Balkan states from under Russian domination and set up a "Balkan alliance" (sic).

"Russia's refusal to comply with these conditions should have been answered by war, which would have crippled Russia's power for decades" (513, column 2)....

In 1886 (or 1885), *after Prince Alexander's return to Bulgaria* (evidently after the Bulgarian revolution of September 18, 1885), when both Serbs and Rumanians feared the strengthening of Russia, there should have been formed "an independent alliance of Balkan states supported by Germany and Austria-Hungary".

"If Russia had then ventured to declare war, Germany would have stood against her more unitedly than ever before, and in alliance with Austria, the Balkan states and, possibly, Turkey, she could wage war against Russia and France with the best prospects of success, a war which in any case she will be compelled to wage later on, but possibly—indeed even probably—under *much more unfavourable conditions*" (513, column 2).

the entire country, all classes in Germany, are dissatisfied with foreign policy: *511, column 2*

Bebel's italics

DIE NEUE ZEIT, 1912-13

Kurt Wiedenfeld, *The Rhine-Westphalian Coal Syndicate*, Bonn, 1912.
(The Cologne Trade and Industry Museum. *Modern Industrial Establishments* No. 1)
Review (Sp.) in *Die Neue Zeit*, 1913, Vol. 2, p. 946.
ibidem, controversy (series of articles) on the mass strike and Rosa Luxemburg. "Semi-official."
idem on the Armaments Bill.

Die Neue Zeit, 1912, 1.

Kautsky's polemic against Hilferding on money (ibidem Varga and Hilferding).

Kautsky, "Mass actions"....

Article by *Hue*, "Morocco and the German Ore Supply", sets out to prove that Germany does not need new ore sources (("does not suffer from lack of ore")), is richer in ore than any other country, that the "millions spent on the Herero revolt" ought to be used to improve mining, etc.

Hilferding, "On the Theory of Combination": concerning Marx's mistake in *Theories* and notes on *combination*.

NOTES ON DEFEAT OF ONE'S OWN COUNTRY IN THE IMPERIALIST WAR

Notes: *On Defeat of One's Own Country in the Imperialist War.*

1. Axelrod, 1st version (for defeat, but not fundamentally)
2. Axelrod, 2nd version (against).
3. The bourgeoisie and its revolutions
   1870 republican opposition!
   1905 Russia
4. Defeat of each and every government—either an absurdity or transition to civil war.
5. By agreement of all countries? Wait for that?
6. Russia: bourgeois revolution
   national question
7. Defeat of Russia + German and Austrian chauvinism
8. "Neither victory nor defeat"? = Status quo....
9. *Hochland* on Social-Democracy.*
10. "The chief enemy is in one's own country."
11. Loophole for chauvinism = rejection of "defeat".
12. Defeat and hardship for the people (sophistry)....
13. "Release" of the colonies (and oppressed nations) is a blessing for the revolution. (Imperialist war—for redivision of the colonies and for Great-Power privileges).

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* See p. 316 of this volume.—*Ed.*

14. "Defence of Great-Power privileges'
15. Three trends of hatred.

Another of the sophistries served up by Axelrod and others: "Internationalist" tactics, it is alleged, have still not been worked out, have not been discussed, they have only been outlined; it is too early to draw definite conclusions, and so on and so forth. Let it be said that there are not and cannot be any *special* "internationalist" tactics; they amount *wholly* to revolutionary tactics, to propaganda, preparation for and support of revolutionary actions.*

NOTES FOR LECTURE ON "IMPERIALISM AND THE RIGHT OF NATIONS TO SELF-DETERMINATION"[89]

ON THE NATIONAL QUESTION

Great-Power Nations

(***Hofkalender***, 1914)

1910

Germans 12 million in Austria-Hungary
60(?) " " Germany (out of 67)

Σ = 72(?)

British (?) 45 in Great Britain and British colonies (out of 46)
(?) 80 in the United States

125 (?)

British	— 12	
Great Russians (170×43)	— 73	
Germans	— 72	
French	— 38	
	Σ = 308	million
Japanese	— 50	
Italians	— 35	
	393	
Hungarians (?)	— 10	
	Σ = 403	million

Colonies (population in millions)

1914: 570 1876: 314
+81% in 38 years

* The last paragraph was crossed out by Lenin. In his article "The Collapse of the Second International", written in the summer of 1915, Lenin criticises this sophistry of Axelrod's (see present edition, Vol. 21, pp. 211-12).—*Ed.*

OUTLINE OF LECTURE

Subject: Imperialism and the *self-determination* of nations

not the "national question

Away with two-thirds of the national programme (only self-determination)

+ Democratic reforms under imperialism?
+ Norway 1905. An "exception"?
+ Ireland 1869. "Utopia"?
+ National movements in Asia and the colonies... and Africa (Egypt)....
+ Why *division* into nations when imperialism is the epoch of the union of nations?

"Why" national movements in the Ukraine, China, Persia, India, Egypt, etc., "if" (when) the advanced countries have reached the stage of *imperialism*, which unites nations?, if capitalism (= imperialism) in the advanced countries *has outgrown* the bounds of national states? The Proudhonists and Marx in the 1860s. ("Other nations should sit on their behinds and wait until France achieves the social revolution.")

Marx 1848 in *Die Neue Rheinische Zeitung*. Engels 1866 and Marx 1869: precisely in the interests of the working class of the *oppressing* nations it is necessary to demand freedom of secession for the *oppressed* nations.

Page 1: -2-3* (compress and alter)

Imperialism is oppression of nations on a *new* historical basis.... This is one half.

The other half (of the problem) = emergence of *national movements in Eastern Europe* (the Ukraine after 1905), in Asia and Africa (China, India, Egypt)—in the *colonies* (among 1,000 million of the population of the globe 570 + 360 = 930)....

300-400 million out of 1,600 are oppressors

* Apparently, a reference to the pages of some manuscript of Lenin's.—*Ed*.

Self-determination of nations ["old, tattered" (schäbig) bourgeois-democratic slogan ((new for 1,000 million of the world's population!!))] must be converted from a deception to a truth.

pp. 4-5 delete.
p. 6 (to be revised)

Deception for Britain, France and for Germany
Two forms of deception: Plekhanov

contra "the most tattered" slogan of Parvus.

Only a bourgeois-democratic principle? What about the BROTHERHOOD of the workers?

No, it is **also** a socialist principle.

When we advance the slogan: freedom of self-determination, *that is*, freedom of secession, by our *whole* agitation we are demanding from the oppressors: try to hold the people by granting advantages, spreading culture, *and not* by force. If we do not accept and emphasise freedom of secession, we *in practice* leave the door open for the advocates of violence.

Nur so treffen wir den Nagel auf den Kopf [only so do we hit the nail on the head]—we teach the workers: drive away all those who do not recognise the democratic and socialist principle **sincerely** and **honestly**.

THESES

Five (?) (better four) theses: (1) Social-Democrats of an oppressor nation, particularly of the so-called Great Powers, must demand the right to self-determination = the right to secession for the oppressed nations, upholding this right not only in the legal, but especially in the illegal, press and especially in wartime.—(2) Social-Democrats of the oppressed nations must demand the fullest, including organ-

isational, merging, and not merely rapprochement, of the *workers* of the oppressed nation with the *workers* of the oppressor nation.—(3) On the basis of these principles, the Social-Democrats of all the advanced twentieth-century countries, and especially of the Great Powers, must make the principle: "the workers have no fatherland" the cornerstone of their national policy, without in any way denying the world-historic importance of the national emancipation movement of the backward East European and the Asian and African colonial peoples.—(4) Social-Democrats of all countries must uphold, *not* the federative principle, *not* the formation of small states, as the ideal, but the closest unity of nations, stressing the harmfulness of all separation of nations, the harmfulness of cultural-national autonomy, the advantage of **democratic** centralism, the advantage of very big states and unions of states.

5th thesis: In view of the elementary, ABC nature of thesis No. 1, its acceptance by all democrats and Marx + Engels 1848-76, and its confirmation by the experience of the war,—Social-Democrats who do not recognise this thesis should be treated as enemies of the proletariat and deceivers of the worst kind, and expelled from the Party.

It is not enough to accept the struggle against *all* national oppression, against all national inequality:

(α) Does "inequality" cover the right to independent statehood? or not?

(β) the right to secession or not?

(γ) the nature of daily agitation: its main aim and direction.

Unity of the workers, unity of the proletariat's international class struggle, is infinitely more important than the problem of state frontiers, which in the era of imperialism will especially often be resolved, by war.

IMPERIALISM AND THE RIGHT OF NATIONS TO SELF-DETERMINATION (OUTLINE)

[October 28, 1915]

Introduction

(1) The urgency of the Problem: A talking point every-

where. Why? (α) War inflames national enmity and threatens national oppression.

(β) Imperialism is the era of the oppression of nations on a *new* historical basis.

(2) The task of the "*Zimmerwald Left*"[90] is to unite, and on this basis *also* to smash social-chauvinism, to clarify the mind of the working class.

I. The Economic Standpoint

(3) "Capital has *outgrown* national bounds. The union of nations (in a single state) is inevitable and progressive." True! But Marxism is not Struvism,[91] it is not a justification and defence of coercion of nations, but a revolutionary struggle for socialism, the *union* of the workers of different nations, their *brotherhood*.

(4) Against coercion, *for* the democratic union of nations. "Freedom of secession" is the *highest* expression of *democracy*.

(5) Democracy, freedom of secession, *bénefit* economic union (Norway and Sweden; America versus Germany).

II. The Historical Standpoint

(6) "Self-determination is the tattered slogan of a bygone era of bourgeois-democratic revolutions and movements."

—Imperialism gives rise to the oppression of nations on a new basis. Imperialism gives new life to this old slogan.

(7) The East and the *colones* (>1,000 million of the world's population). "New" bourgeois-democratic national movements.

Colonies 1876—314 million
1914—570 " + 81%

III. The Political Standpoint

(8) We do not discard bourgeois-democratic slogans, but more consistently, fully and decisively implement what is *democratic* in them.

(9) The interests of brotherhood, of the solidarity of the *workers* of different nations, rather than the interests of *nations*.

IV. The Standpoint of State Frontiers

(10) We do not uphold the *existing* state frontiers.
(11) We do not support the utopia of small states, do not everywhere and always demand the "independence of national states"....
(12) Under all possible *changes* of state frontiers we put in the forefront the interests of the workers' class struggle.
(13) The "disintegration" of Russia (Great Britain, Austria?) = United States.

V. The Standpoint of the Proletariat's International Class Struggle

(14) The danger (and inevitability under capitalism) of national enmity and distrust (*à la* Axelrod? No!).
(15) The crux: the attitude of the *oppressing* nations to the **oppressed nations**.
(16) The class solidarity of the workers of different nations is impossible without recognising the right to secession.

VI. "*Practical Feasibility*"

(17) "Utopia"! Norway versus Sweden.
(18) The "exception"! ("Backwoods region.")
Yes, like *all* democratic reforms and changes.
(19) "In practice = nil."
No = (α) freedom of agitation for secession
(β) solution of the problem of secession by a referendum (2 §§ of the Constitution)
(20) "What guarantees are there? Only war can give the answer!"
(Our guarantees—educating the workers in the spirit of the brotherhood of nations.)

VII. The Military Standpoint

(21) "Self-determination of nations = justifying participation in war."
There are wars and wars. We do not "deny" national wars. They are possible now, too.

(22) "Given self-determination, Holland, Sweden, etc., have the right to defend themselves." *How* can one defend oneself in an *imperialist* war?

VIII. The Struggle Against Social-Chauvinism

(23) Social-chauvinism is as inevitable a product of imperialism as wireless telegraphy. The struggle against it is now the very heart of the matter.

(24) The struggle against the chauvinism of *one's own* nation.

(25) The main feature—*Great-Power* chauvinism.

(26) "Recognition of equality" = an evasion of the problem of *statehood*, of *secession*, of instances of imperialist *war*.

(27) Wir treffen den Nagel auf den Kopf (we hit the nail on the head) *only* by our formulation. Only this formulation *strikes at and smashes* international *social-chauvinism*.

*IX. Comparison with Divorce**

(28) Rosa Luxemburg on divorce (versus autonomy).

(29) Semkovsky's objection.

(30) Its incorrectness.

X. The Case Weill[92]

(31) The social-chauvinists expelled Weill, who betrayed *their* principles.

(32) From *our* point of view, participation in war is *not* a crime. How else can agitation be conducted in the army? or the war turned into a civil war?

(33) Choice of nation. (In what army?)

XI. Attitude of the Liberal Bourgeoisie

(34) In *Russia*: we (Constitutional-Democrats) are for equality, but we have never undertaken to defend the right to secession from the Russian state,

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* See present edition, Vol. 23, pp. 72-74.—*Ed.*

(35) Karl Kautsky on political *self-determination* ("cultural self-determination and autonomy is enough")....

XII. Experience of the R.S.D.L.P.

(36) How the question was posed at the 1903 Congress.
(37) Withdrawal of the Polish Social-Democrats and their re-entry in 1906.
(38) Abolition of §9 was never officially demanded.
(39) "Alliance" of the opportunists with Rosa in 1914 (the liquidators Semkovsky; Liebman; Yurkevich; Alexinsky).

XIII. The Example of Marx and Engels

(40) 1848. Germany *versus* the oppressed nations (*Literarische Nachlass*, III, pp. 109, 113 and 114).
1866. Engels and the *International* (Marx) on Poland and **Germany**.
1869. Marx on *Ireland*.
(41) From the standpoint of the interests of the **workers of the oppressing** nation.

(N.B.) Marx for *federation* with Ireland (N.B.)

XIV. The Zimmerwald Left "Formula"

(42) "No support for the rule of one nation over another"....

Question: does it include freedom of secession? Non-recognition of freedom of secession is "support for the rule".

This formulation="the first step towards closer unity"....*

E. CORRADINI, *ITALIAN NATIONALISM*

Enrico Corradini, *Italian Nationalism*, Milan, 1914.

* See present edition, Vol. 21, pp. 383-88.—*Ed.*

Written *before the war*. The article "Nationalism and Socialism" (January 14, 1914) contains interesting formulations by an imperialist of a small nation. France and Great Britain = banks with a capital of 300 and 400 *thousand million* (p. 162). The plutocratic nations (France, Britain, Germany) "are pacifist" (sic!) (ha-ha!) "mainly because they are plutocratic" (188), whereas the proletarian nations (Italy), in fighting against Turkey were fighting the plutocratic nations (sic!! ha-ha!). Imperialism (he says) is a modern phenomenon, but it divides nations into plutocratic and proletarian; "it [nationalism] is the socialism of the Italian nation in the world" (156). N.B. N.B.

Other nations are big-time robbers: that is the substance of this wretched book. "Socialism" consists in our little and poor nation overtaking or trying to overtake the big robbers so that it may rob more!!

NITTI, *FOREIGN CAPITAL IN ITALY*

Revue d'économie politique (1915, No. 4, July-August) carries a review of Francesco *Nitti*'s *Foreign Capital in Italy* (156 pp.). He estimates it at only 500 million (??), including

Belgian	182 million
French	148
British	110
Swiss	46
German	28
(my) Σ	= 504

doubtful, not too small? Collate with *Paish* and *Harms*[93]

R. LIEFMANN, "DOES THE WAR BRING SOCIALISM NEARER?"

Professor Dr. *Robert Liefmann*, "Does the *War Bring Socialism Nearer?*"

(No. 56 of *The German War*, published by E. Jäckh, Stuttgart-Berlin, 1915.)

The author contends against the view (of *Jaffé* and others) that the war brings us nearer to socialism. Taxes, monopolies, rationing—all this has no relation to socialism (communism, he says, = the regulation of *consumption*, socialism = the abolition of private property).

Banal arguments against socialism in general. Of course, he favours "reforms", "mitigation of class contradictions", etc.

But in general socialism is "dreams" (39), "fantasies* (37), "pernicious internationalism" (S.D.)—(37)....

The German Social-Democrats are being reproached for their attitude to the war, though "nothing has been heard" (37) (sic!) "of reproaches against" the French and British socialists.

praises Social-Democrats

"The behaviour of the German Social-Democrats ... is worthy of respect" (37)...

workers of other countries do not think of socialism

..."Abolition of the present economic system is impossible internationally, and ruinous nationally" (39)... "the workers of other countries, more alive to reality, do not think of trying it in practice" (ibidem) (particularly the *British* workers, p. 38)....

Let France "experiment" with socialism (39-40)

Social-Democrats *or* "reformists"?

"It is hard to say how far the German *Social-Democratic Party* membership is still really (!!) loyal to the ideal of socialism, and whether the Party is not merely a *social-reform party* on a *democratic basis*... (40). My statements "only recommend what within socialism itself is recommended by the revisionist trend" (40)....

I am *for* revisionism!

!! "It would be most desirable for joint political work after the war if one could obtain from the Social-Democratic Party a clear **renunciation** of this ideal, or at least a declaration that, for the time being, the Party would not advocate measures for its realisation; in other words, if the *revisionist movement* within German Social-Democracy, which has this aim, were to win

general recognition, there would be no unclarity as to the post-war Social-Democrat position"‖! (41)....

CONRAD'S JAHRBÜCHER, 1915, No. 2, AUGUST

Conrad's Jahrbücher, 1915, No. 2, August (pp. 214-16).

Item by Diehl on the *Danish* law of May 10, 1915. War-profits tax. All *extra incomes* (after 1912-15) are taxed at ten per cent of the excess.

(Not only war profits, but all extra income.)

(Exemption granted only if tax-payer can prove that no part of his extra income was due to the war.)

N.B. [To the question of *reforms* under imperialism in general.]

PAPERS OF THE SOCIETY FOR SOCIAL POLICY

Schriften des Vereins für Sozialpolitik, *Vol. 145*, III. (*See overleaf*)*

Dr. Carl von Tyszka: "Wages and Living Costs in Western Europe in the Nineteenth Century" (Leipzig, 1914).

A very detailed summary of *French* and *British*, and an abbreviated summary of *Spanish*, *Belgian* and *German* data. *The results are in* **Britain's** *favour*. Summary Table (**abbreviated** by me):

Index: 1900 = 100. Comparative *movement of real wages*:

Years	Britain	Prussia	South Germany	France	Spain	Belgium
1870	53.8	57.8	(1875: 93.0)	69.0		51.0
1885	68.2	56.1	90.9	74.5	(1890: 89.5)	78.6
1900	100	100	100	100	100	100
1910	92.2	82.9	99.5	106.0	102.0	86.5 in 1905

Thanks to free trade, Britain suffered least from the increased cost of living (p. 289 and other passages).

* See p. 746 of this volume.—*Ed*.

Britain earlier became an "industrial country" (p. 101), and prices adapted themselves to a greater extent, passing completely onto this basis.

(94—the increase in wages proves to be *less* if one takes "weighed" averages, i.e., takes into account the *greater* increases in the lower-paid occupations. He cites data for 26 branches of the German engineering works.)

N.B. But it applies to all other industries.

N.B. Vol. 145: "Living Costs in the Large Towns" (I-IV).

N.B. || A *very* detailed (in *145*, IV, 1915) work on Hamburg (1890-). *Prices* and *budgets*, *consumption*, *rents*, etc., compared with London.

Schriften des Vereins für Sozialpolitik.

Vol. 140. II. "Urban Milk Supplies" (1914).

Fragmentary data on *individual* dairy farms (number of cows; output, etc.).

The development of retail and co-operative marketing of milk; ousting of beer (feebly and seldom).

Detailed data on prices.

Vol. 140. V. "Public Supplies of Milk in Germany" (1914).

|| *Hans Hess*: "*The Electron in Various Fields of Physics*." *Himmel und Erde*, 1915, March (No. 3). (27th year, No. 3).

an interesting attempt to summarise the achievements of the electronic theory

"SOCIAL-IMPERIALISM AND LEFT RADICALISM"

Bremer Bürger-Zeitung, 1915, No. 291 (December 13).

Leading article: "**Social-Imperialism and Left Radicalism**".... "It [Left radicalism] was the trend in German radicalism which took shape during the campaign for the suffrage in Prussia and in the 1910-13 debates on disarmament"....

N.B. || ..."He (Kautsky) sought to depict imperialism as a form of capitalist expansion which could give way to another, peaceful form"....

Among these Lefts were "Rosa Luxemburg, Pannekoek, Radek, Thalheimer, Zetkin and others"....

..."The Left radicals waged a sharp struggle against the survivals of the British Manchesterism ideology in foreign policy" (*Ledebour* and *K. Kautsky*, also *Eckstein*)....

The Left radicals and social-imperialists find common ground in that "the world has entered the imperialist era"....

..."For the Left radicals, even the *militia* is not a means for abolishing the expansionist tendencies of imperialism—they favour it only in the hope that it will bring to maturity the anti-imperialist tendencies of the masses. The social-imperialists, on the other hand, use every approach to a militia presented by this war, but which can be achieved only in opposition to the policy upheld by the war, as a bait for militarising Social-Democracy".

E. RAPPARD, *TOWARDS NATIONAL AGREEMENT*

Dr. William *E. R a p p a r d*, *Towards National Agreement*, Zurich, 1915 (*Schriften für schweizerische Art und Kunst*, 26) (National Library)

"Prior to 1870 the population ratio of *Germany* and *France* was 9 to 8; today it is 13 to 8. Coal output in France in the last forty years has approximately doubled, in Germany it has nearly quadrupled, so that its ratio to French output is today six to one. As regards *p i g-i r o n o u t p u t*, a generation ago both countries were approximately on the same level. Today German output is almost three times that of France" (p. 15).

((400x : 200y = 6 : 1; 400x = 1,200y; 1x = 3y))

8:8; 13:8

3:1; 6:1

1:1; 3:1

A GOOD SUMMARY

|| A good summary of comparative figures ||

N.B. || *Dr. Ernst Günther*: "*The Economic Resources* (*Kriegshefte aus dem*

Population (million) (round figures)

Years	Germany	Austria-Hungary	France	Great Britain	Russia	Germans + Austrians
1810	30	30	30	20	45	267
1910	65	51.5	39.5	46	136.5	258

Cultivated area *in Germany* (000 *hectares*)

	rye	wheat	oats	barley	*total cereals*	potatoes
1800	4,623	1,027	2,569	2,055	10,274	350
1901-10	6,080	1,849	4,271	1,666	13,866	3,291
	+23%	+80%	+67%	—19%	+35%	+840%

Average per hectare harvest during the last five years (double centners)

	wheat	rye	barley	oats	potatoes
Russia	7.0	8.0	8.7	8.2	76.7
U.S.A.	9.3	8.9	11.7	8.1	107.0
Hungary	2.2	11.5	13.9	11.4	78.0
Austria	13.9	13.9	15.4	12.9	99.0
France	14.0	11.3	14.3	13.1	98.9
Great Britain	20.7	—	17.9	16.7	153.3
Germany	21.4	18.2	20.8	19.7	136.0
Belgium	25.9	22.3	28.0	23.3	187.3

OF COMPARATIVE FIGURES

of Germany and Her Chief Adversaries", Essen, 1915 *Industriebezirk* No. 7). 80 pfennigs.

Of 1,000 Europeans there were			Mortality per 1,000:		
British	French	Russians	Epoch	*Germany*	*France*
93	153	200	20-25 years ago	25	22
103	88	300	now	16	18

Per hectare harvests (*double centners*)

rye	wheat	oats	barley
8.62	10.28	5.64	8.0
16.3	19.6	18.30	19.0
+90%	+90%	+227%	+137%

Per hectare wheat harvests (double centners)

1881-90	1901-10		
5.45	6.77	+1.32	+24%
8.27 (1876-85)	9.30 (1899-1901)	+1.03	+12%
12.0	13.9	+1.9	+16%
18.2	20.0	+1.8	+10%
14.8	19.6	+4.8	+32%

No. of workers in textile industry (000)

	Great Britain	*Germany*
1895	1,018	945
1907	1,015	1,057

Export of machinery (million marks)

	Great Britain	*Germany*
1902	400	183
1913	674	678

Share of world coal output

	Great Britain	Germany	U.S.A.
1860	60% (81 mill. tons)	12.4% (16.5 mill. tons)	10.0%
1880	45	18	20
1900	30	20	32
1910	24	19	37
1913	21 (280 mill. tons)	21	39

Iron production (million tons)

Great Britain	Germany
7.8	2.6
9.1	8.5
10.5	19.5

Strength of German, French and British navies

	1870	1880	1890	1900	1910	1912
Germany 000 tons	1,146	1,614	2,835	4,569	7,698	8,454
%	100	141	247	399	672	739
Great Britain 000 tons	7,917	12,027	18,062	23,687	32,412	33,849
%	100	152	228	299	409	427
France 000 tons	1,528	1,767	2,444	2,622	3,082	3,139
%	100	116	160	172	202	206
German navy	100	100	100	100	100	100
British ”	691	745	637	518	421	400
French ”	133	109	86	57	40	37

No. of workers in engineering and shipbuilding industries (000)

	Great Britain	*Germany*
1881	217	206
1901	400	700

Railways (000 km)

Great Britain	*Germany*
29	34
38	63

Percentage share of world trade

	1886	1900	1910	1912
Germany	10.3	12.1	12.0	12.9
France	12.5	10.0	9.4	9.2
Great Britain	20.8	19.5	16.9	16.6

Foreign trade (imports and exports)

	Germany special trade (mill. marks)	%	Great Britain total trade	%	France special trade	%	Germany	Great Britain	France
1880	5,712	100	14,232	100	6,896	100	100	249	121
1890	7,473	130	15,253	107	6,633	96	100	204	89
1900	10,371	181	17,900	126	10,776	155	100	172	69
1913	20,868	365	28,644	201	12,307	178	100	137	59

A. B. HART, *THE MONROE DOCTRINE*

A. B. Hart, The Monroe Doctrine, Boston, 1916.

Appears to be an interesting account of United States foreign policy.

Contains a bibliography.

P. 373: the "anti-imperialists" defeated, 1898.

303-04: a table (very instructive) showing the development of the American state 1823-1915. (Growth of U.S. imperialism, etc.).

314: "The most striking change in the conditions of nations is the building up of large units. Consolidation applies not simply to banks and factories and railways, but to world powers." The next century will see five Great Powers: Great Britain, Germany, Russia, China and the United States (!!)....

Growth of protectorate and "influence" (and of financial interests! 332). The United States in Central America!—332—

N.B. "*Fixed* policy of protectorates" (335).

359: *Roland G. Usher, Pan-Americanism. A Forecast of the Inevitable Clash between the United States and Europe's Victor*, New York, 1915 (419 pp.).

The author demolishes it, but himself defends the "doctrine"... of "protectorates" (369) for the "safeguarding of American !! capital" (369)!!

ΣΣ (402) **in favour of** militarism!! **(N.B.)** (especially *§ 5*)—particularly (!!!) against Germany and Japan (403). **N.B.**

EUG. PHILIPPOVICH, "MONOPOLIES"

Eug. v. Philippovich, "**Monopolies**"[94]....

180 persons (families?) **25.000 million** dollars

In the United States (1912)—*180* owners or presidents of firms (18 banks) held *746* directorships in *134* corporations with a total capital of *25,325* million dollars (=101,300 million marks). "This could be a third of the American national wealth" (p. 159).

A.E.G. (Allgemeine Elektrizitäts-Gesellschaft). Capital (1912) = *378 million marks*. Its Supervisory Board has *32* members, who hold nearly *500 directorships* in various enterprises.

JOURNAL DE GENÈVE, APRIL 18, 1916

Journal de Genève, April 18, 1916.

Report from Rome says the International Institute of Agriculture has published statistics of the **world production** of cereals: N.B. N.B.

million metric centners	1915 and 1915-16	Per cent of 1914 and 1914-15	Per cent of average production of the last five years
wheat	1,161	119	116.4
rye	462	106.6	103.5
oats	706	114	108.7
maize	996	105.2	109.3
rice	638	167.2	113.7
barley	323	105.9	99.2

POTASSIUM CONSUMPTION IN VARIOUS COUNTRIES

Vienna *Arbeiter Zeitung*, April 22, 1916, p. 6.

...According to data of the potassium syndicate, consumption of potassium for fertilisers in Austria-Hungary and Germany during recent years was as follows (in kg. per sq. km. of usable surface):

	1900	*1910*	*1913*
Austria	12.4	64.3	114.2
Hungary.	0.5	6.1	19.8
Germany	334.4	1,025.1	1,529.3

ARCHIV FÜR SOZIALWISSENSCHAFT UND SOZIALPOLITIK

N. B. Archiv für Sozialwissenschaft und Sozialpolitik, 1916 (August 4, 1916) (Vol. 42, No. 1).

Article:—p. "The Trade Union Movement in 1915".... Subheading: "*Trade Union Ideologies*"....

Two trends which are *not* part of reformism or radicalism—*Korrespondenzblatt* and *Sozialistische Monatshefte*.

"On the other hand, there are only a few trade union journals which clearly express their dissident, more radical views. For the most part these are organs of trade unions whose membership consists mainly of unskilled workers or women" (325)....

..."For the organs of the old, big unions are wholly on the side of the majority, whereas the others are more reserved. There is no evidence, as far as we can see, of a definite attitude *in favour of* the views and tactics of the minority" (327)....

Of the metalworkers' union, the author says the Executive Committee supports the majority, wages in this trade are higher (330), fewer have been called up,* it is an old and very big union, "which has always been a bulwark of moderate views", but at a general meeting on June 30, 1915... a motion was passed that was, indirectly, practically a censure of the Executive Committee: "The adoption of this motion indicates at any rate that other views and moods prevail among the rank and file than those in the leadership" (332)....

A "petty-bourgeois stratum" is developing at the top (335)....

Korrespondenzblatt (April 17, 1915) declares that the struggle against imperialism is as much an absurdity as the destruction of machines.

It censures the *majority* in the French and British unions (the same as the majority it itself represents) and this evokes a malicious remark by the bourgeois author:

"It cannot be said, therefore, that the Right-wing tendency in Germany has altogether ceased to understand radical labour policy" (338).

Properly speaking, the author admits, the majority are no longer socialists (p. 340 and *elsewhere*).

IMPERIALISM AND THE SPLIT IN SOCIALISM[95]

PLAN OF ARTICLE

Imperialism and Opportunism (*the split in socialism*).

1. What is imperialism? (*definition* in the resolution + addenda).

* for military service.—*Ed.*

2. Tendencies towards decay (parasitism).
3. **Hobson** (1900).
4. Engels } especially *N.B.*: one must *appeal to the* 1858 } *unskilled workers*, the **masses**.
   1892 }
   + the split among the workers owing to emigration and immigration (cf. Engels on America)
   + troops recruited from colonial peoples....
5. Kautsky (glossing over).
6. Germany versus Britain....
7. Optimism (Martov's) ... about opportunism.
8. Optimism and pessimism in our Party.
   (2 versus 20 years?) Tactics?
9. Time factor unknown (2 prospects and two lines)....
10. Democracy teaches *deception*....
    Working-class parties and *Social-Democratic* phrase-mongering.
11. The split (Trotsky's sophistries).
    Its growth ((Rühle, January 12, 1916)).
    Rühle + Liebknecht in Germany.
    The split in Britain.
12. Its inevitability.

CONCERNING THE DEFINITION OF IMPERIALISM

A. Monopolist (1) cartels
(2) banks
(3) sources of raw material
(4) division of the world (international associations)
(5) territorial division of the world.

B. Parasitic (1) rentier
(2) "on the backs of the Negroes"*
(3) reaction. See overleaf**

PLAN VARIANT

1. Economic source: superprofit
2. Britain 48-68 (α) colonies
   (β) monopoly

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* See p. 452 of this volume.—*Ed.*
** See p. 756 of this volume.—*Ed.*

3. Colonies (France, etc.).
   Monopoly *of a different kind = finance* capital
3 bis: at that time one country, now the split everywhere
4. Riding "on the backs of the Negroes"
5. "Bourgeois labour party": "they have sold themselves"
6. The "masses". Quid est?
7. Appeal to the masses
8. Who represents the masses?
9. Mass actions
10. Deception. Lloyd-Georgism[96]

+ Britain 1850-90 and imperialism 1898-1914 { resemblance and difference }

"imperialist Economism"
" otzovism"
++ the struggle for reforms ("giveaway checkers") and the use of legal opportunities (their role in revolutionary tactics).

I >	300
II >	1,000
ad. *4.*	300
III	1,600

LEUTHNER, "RUSSIAN NATIONAL IMPERIALISM"

Die Neue Rundschau ((May 1915))
K. Leuthner, "*Russian National Imperialism*"

p. 590: —on Plekhanov, who has "gone over to the war camp".

..."In Russia, even extreme radicalism will soon appreciate the vital need for free access to the open seas"....

"The Russian people, and not only the Russian tsar... stand at our frontiers with their traditional resolve to conquer and subjugate."

"At the frontiers of the empire the Great Russian defends not the existence, independence and territorial integrity of his nation, but its domination over forty million non-Great Russians"....

GAZETA ROBOTNICZA'S[97] THESES ON IMPERIALISM AND NATIONAL OPPRESSION (SUMMARY)

I (1) Definition of imperialism (economic).
Alteration of *frontiers*.
The "national state". (Was) not the *sole* form (under certain conditions + state of nationalities) colonies and contributions
annexations—intensification of *national oppression*.

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(2) (Contradicts working-class interests)...
(especially of *oppressed* nations)
(revanche)

---

(3) Against *annexations* and *national oppression* (must be vigorously combated (energisch bekämpfen))
(socialism does not need colonies)
against peace with annexations

---

(4) The struggle against forcible domination consists in
(1) rejection of defence of the fatherland....
(2) exposure (Denunzierung) of national oppression
(3) the struggle with moral coercion against the national movement
(5) Imperialism cannot be transformed in a way that would accord with the interests of the working class
imperialism cannot be purged of national oppression; only socialism ... the struggle must be revolutionary and, under socialism, for *joint determination*, not self-determination,
no delay, no holding out hopes.

II (1) There can be no freedom of nations under capitalism
(2) Self-determination presupposes classless society, presupposes isolation of nations
utopia.
(3) There must be no utopias in the programme
"it raises unrealisable hopes of capitalism's ability to adapt itself"

in a "*national*-reformist" manner
what is required is...
clear-cut, undisguised socialism.
(4) Do not need these abstract "rights"...
a relic of petty-bourgeois democratic ideology....

IMPERIALISM AND THE ATTITUDE TOWARDS IT[98]

1. Definition { { economic
{ { political { reaction
national oppression
annexations

Imperialism = capitalism

α monopolist { 1) cartels
2) big banks
3) financial oligarchy (more than 100,000 million of share capital)
4) colonies and export of capital (division of the world)

β parasitic { 1) export of capital
2) 100,000 million of share capital

γ moribund ("transitional")

1a. Basle and Chemnitz

2. Contra K. Kautsky. Blunting the contradictions, concealment, evasions, etc.

3. Three lines: lackeys { opportunists { crude / cynical } National-Liberals
reformists { " { subtle / concealed } (Liebknecht)[99]
revolutionary Social-Democrats { Marxists

4. Fabians, Vandervelde, Jaurès and Co. (1907)....
+ *Sozialistische Monatshefte* + *Die Glocke* + Renner and Co.
+ Plekhanov and "disciples" in Russia.
(1) Disarmament....
(2) United States of Europe (cartel of imperialists)... (Organisation of "Central Europe")....
(3) Annexations....
(4) "Peace" (social-pacifism)....

(5) "Ultra-imperialism"....
(6) "Defence of the fatherland"....
(7) Imperialist character of the war....
(8) Freedom of trade ("peaceful relations").
(9) Colonies (cf. 1907 and 1914-16).... (Away from colonies?)
(10) Benefits from colonies
import and export from own colonies } versus "freedom of trade" }
(11) Imperialism and opportunism (sentiment versus trend).
(12) "Unity" with the opportunists.
(13) Trends in international Social-Democracy 1889-1914[100] versus present disintegration. { Millerandism[101] (Jaurès), Bernsteinism,[102] British "Liberal-Labour" [policy] }
(14) Voting for war credits.
(15) Mass actions = "adventurism"?
(16) Past (1909; 1910; 1911 K. Kautsky versus 1914-16) and present.
(Words and deeds.)
(17) K. Kautsky versus Pannekoek, 1912, on mass actions....
(18) Eclecticism versus dialectics.
(19) Engels and Marx on the roots of British opportunism.
(20) Glossing over { August 4, 1914 / August 2, 1914 and *ultimatum* to the opposition }
(21) Sympathy for Karl Liebknecht (everywhere) (or in Europe?)
(22) Zimmerwald and The Hague.

PLAN OF AN ARTICLE ON KAUTSKYISM[103]

On Kautskyism: { *Vorbote* No. 1 / *Kommunist* }

1. Definition of imperialism. (δ9*)
3 bis. 1912, imperialism loses its importance. (o 15**)

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* See p. 264 of this volume.—*Ed.*
** See p. 590 of this volume.—*Ed.*

5. Character of the war (*Kommunist*)
2. Trade policy (free trade) (*Kommunist*)
4. Struggle against imperialism ("part of the capitalists *favour* it").
8. Annexations....

12 { Renner & Co., Cunow & Co.... / Lensch / *Volkstribüne* }

7. Peace: "everyone wants it" (lecture)....
3. Theory of ultra-imperialism
9. Monitor and Kautsky
10. Kautsky, November 26, 1915, *against* **street demonstrations.**
11. Chemnitz *Volksstimme* on unity with Kautsky & Co. (cf. Ernst *Heilmann* in *Die Glocke*).
6. Denial of the connection between the present crisis and opportunism (K. Kautsky, May 28, 1915) (*Kommunist*)

Previous attitude to war *up to*:

The Social Revolution 1902	1902
The Road to Power 1909	1905
1905 (o 33*)	1908
1910 (o 15)	1910
1912	1912

Rühle versus *Vorwärts*

{Revolution in connection with war.}

{ Disarmament and a *United States of Europe* }

A. Economics and the main class relationship (1-4)
B. Politics (5-8)
C. The "Marsh", its inner-Party aspect (9-12).
D. Russian Kautskyites

{ Axelrod / Martov / Chkheidze and Skobelev }

For translation

1) Kemmerer
2) Gilbreth, *Motion Study*
3) Hobson, *Imperialism*

* See pp. 617-18 of this volume.—*Ed.*

FRAGMENT OF AN ARTICLE

How far Engels was from the indifferent attitude to modern German annexations, so characteristic of certain doctrinaire distorters of Marxism among present-day German Social-Democrats, is evident from the following statement he made in 1893:

"We should not forget that twenty-seven years of Bismarck's administration made Germany hated everywhere—and with good reason. Neither the annexation of the North Schleswig Danes, nor the non-observance, and subsequent swindling cancellation, of the Prague Peace Treaty Article relating to them, nor the annexation of Alsace-Lorraine, nor the shabby measures taken against the Prussian Poles, have had anything at all to do with establishing 'national unity'" (*Can Europe Disarm?* Nuremberg, 1893, p. 27).[104] Under the Prague Treaty of August 23, 1866, Austria ceded Schleswig-Holstein to Prussia on condition that the northern districts of Schleswig should be ceded to Denmark if by a free vote their population pronounced in favour of union with Denmark. The swindling cancellation of this article was effected by the Vienna Treaty between Germany and Austria of October 11, 1878. Even after fifteen years, in 1893, Engels remembers this deception and brands it as such, stressing the distinction between the creation of German national unity and the series of coercive and swindling oppressive measures in relation to peoples dependent on the Germans....*

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NOTES AND INDEXES

NOTES

[1] Lenin's *Notebooks on Imperialism* is a collection of materials for his book *Imperialism, the Highest Stage of Capitalism*. The book was written in 1916, at the height of the First World War, but Lenin had drawn attention to the new phenomena in the development of capitalism long before the war. Thus, at the end of 1899 he referred to America as a land of cartels, which, while limiting production for the home market, "expand it for the foreign market, selling their goods abroad at a loss and extracting monopoly prices from consumers in their own country" (see present edition, Vol. 4, p. 202). In a 1908 article, "Marxism and Revisionism" Lenin stressed that the new giant trusts were evidence that capitalism was heading for a break-down.

Lenin's comprehensive study of the monopoly stage of capitalism began early in the First World War. Such a study was vital to the working-class revolutionary struggle in Russia and other capitalist countries. Correct leadership of that movement and successful opposition to the ideology of imperialist reaction and reformist conciliation with the imperialists required an understanding of the "fundamental economic question, that of the economic essence of imperialism, for unless this is studied, it will be impossible to understand and appraise modern war and modern politics" (see present edition, Vol. 22, p. 188).

Lenin's thorough study of the literature on imperialism apparently began in mid-1915, when he was in Berne. He compiled source references, drew up plans for the book, made copious extracts, notes and detailed conspectuses—which together form the contents of the *Notebooks on Imperialism*.

Early in January 1916, Parus, a legal publishing house founded in Petrograd in December 1915, asked him to write a book on imperialism. Lenin agreed, and on January 11, 1916 he wrote to Maxim Gorky from Berne: "I am getting down to the writing of a pamphlet on imperialism." In mid-February, Lenin left Berne for Zurich, where he continued to collect and analyse data on imperialism. He worked in the Zurich Cantonal Library but ordered books also from other towns.

In a short space of time Lenin studied and critically analysed a vast amount of source material and drew up an outline of the book, a scientific study of imperialism.

On July 2, 1916, Lenin wrote to M. N. Pokrovsky, then living in Paris and connected with the Parus publishers: "Today I am sending you the manuscript by registered book-post." The book, *Imperialism, the Highest Stage of Capitalism*, was first published in April 1917.

Lenin's notes, extracts, outlines, etc., fill fifteen notebooks denoted by the letters of the Greek alphabet from "alpha" to "omicron", besides which there is the "Brailsford" notebook and other materials. Lenin continued to collect data and make extracts on various aspects of imperialism after he had sent his manuscript to the publishers. Evidence of this is the Notebook "Egelhaaf", which Lenin began in October 1916 (see this volume, p. 680 and p. 765), the Notebook "Data on Persia" (p. 719) and others. p. 27

[2] The article on the struggle against the "Marsh" (Notes on Kautskyism) was apparently never written. p. 30

[3] This refers to Kautsky's pamphlet *Der Weg zur Macht* (The Road to Power), published in Berlin in 1909. Lenin called it Kautsky's "last and best work" against the opportunists.

The *Basle Manifesto* on war was adopted by the Extraordinary Congress of the Second International in Basle, November 24-25, 1912. It exposed the predatory aims of the war the imperialists were preparing and called on the workers of all countries to wage a vigorous struggle for peace, against the threat of war and "to oppose to capitalist imperialism the power of international proletarian solidarity". Should imperialist war break out, it said, socialists must take advantage of the economic and political crisis it will cause so as to advance the socialist revolution (see present edition, Vol. 21, pp. 208-17 and 307-08). The leaders of the Second International (Kautsky, Vandervelde, etc.) voted for the Manifesto at the Congress, but consigned it to oblivion and supported their imperialist governments when the war broke out. p. 30

[4] This refers to paragraph 9 of the R.S.D.L.P. Programme adopted at the Party's Second Congress. Paragraph 9 proclaimed "the right to self-determination of all the nations making up the state". p. 42

[5] The data on the annual wages of workers in the U.S.A. in 1913 are taken from an article by Scott Nearing, "The Adequacy of American Wages", published in *The Annals of the American Academy of Political and Social Science*, Vol. LIX, p. 115. p. 48

[6] Marx's concept of "socialisation", based on a scientific analysis of the objective laws of development of capitalist society, points to the necessity and inevitability of the means of production passing from private capitalist ownership to social ownership. Lenin showed that the conflict between the production relations and the productive forces under capitalism becomes very acute in the era of imperialism. In this last stage of capitalism the concentration and social-

isation of production reach the highest level (see present edition, Vol. 22, pp. 205, 207, 302-03). This makes it easier, after the victory of the socialist revolution, for the workers' and peasants' state to take over the basic means of production and organise planned production in the interests of the people. p. 56

[7] Lenin refuted the apologetic inventions about the "democratisation" of capital as far back as 1902. He conclusively showed that individual workers acquiring small shares do not become owners of joint-stock enterprises, "propertied" people. The ones who profit from the issue of small shares are the big shareholders of the capitalist monopolies and joint-stock companies—they use for their enrichment even the very small crumbs of the people's savings (see present edition, Vol. 6, p. 94). p. 61

[8] In the *Notebooks* and *Imperialism, the Highest Stage of Capitalism*, Lenin exposes the bourgeois-apologetic nature of "organised capitalism", an unscientific theory that seeks to prove that imperialism is a special, transformed capitalism which has abolished competition, anarchy of production and economic crises, and has achieved planned economic development. This theory, advanced by the ideologists of monopoly capitalism—Sombart, Liefmann, etc.—was seized upon by Kautsky, Hilferding and other reformist theoreticians of the Second International. Lenin demonstrated that monopolies' rule, far from abolishing, intensifies competition and anarchy of production, and does not rid the capitalist economy of crises (see present edition, Vol. 22, p. 208). p. 62

[9] In his study of imperialism, Lenin showed that political reaction in all aspects of home and foreign policy is the political superstructure of monopoly capitalism. Imperialism, he pointed out, is the negation of democracy in general (see present edition, Vol. 23, p. 43). Monopoly capitalism curtails or nullifies even formal bourgeois democracy, and establishes its unlimited dictatorship.

The characteristic features of imperialist foreign policy are aggression, violation of the national sovereignty of weak and dependent countries. p. 69

[10] The *National City Bank* (from 1955 First National City Bank of New York)—United States' third largest bank and the centre of a financial-monopoly group embracing large industrial and financial corporations. p. 79

[11] All the data refer to 1910, except those for Switzerland (1908), and for Hungary and France (1909). p. 85

[12] *Bankruptcy statistics*—statistics of proceedings taken against insolvent debtors. p. 86

[13] Lenin used these data in *Imperialism, the Highest Stage of Capitalism* (see present edition, Vol. 22, pp. 239-40). In the *Notebook*

the world total of securities, 815,000 million francs, is given for 1911, and in *Imperialism*, for 1910. Lenin took the figure from Zimmermann's "International Statistics of Securities and Stock Issues", which cites as its source a survey by Alfred Neymarck, who gives the figure as referring to January 1, 1911. p. 95

[14] The petty-bourgeois American economist *Henry George* (1839-1897) maintained that the chief and universal cause for the division of the population into rich and poor was expropriation of the land from the people. Poverty was thus due to the land monopoly, and it could be eliminated, he declared, by the bourgeois state nationalising the land, leasing it to individuals and using the rent for social needs. In reality bourgeois land nationalisation does not undermine the foundations of capitalism, but assists its development, and does not save the working people from poverty and ruin. Of the "declamations of Henry George" and similar petty-bourgeois doctrines, Karl Marx wrote: "The whole thing is thus simply a socialistically decked-out attempt *to save capitalist rule* and actually *re-establish* it on an even wider basis than its present one." (See Marx's letter to Sorge, June 20, 1881, and Engels's preface to the American edition of his *Condition of the Working Class in England*.) p. 98

[15] *Proudhonism*—an unscientific, anti-Marxist variety of petty-bourgeois socialism deriving its name from the French anarchist Pierre Joseph Proudhon. Proudhon criticised big capitalist ownership from a petty-bourgeois standpoint and dreamed of perpetuating small private ownership. He proposed the formation of a "people's" bank and an "exchange bank", through which the workers could acquire their own means of production and ensure the sale of their product at a "fair" price. Proudhon did not understand the role and significance of the proletariat, rejected the class struggle, the socialist revolution and the dictatorship of the proletariat. An anarchist, he denied the necessity for the state. The Proudhonists idealised small-scale commodity production and exchange. "Not abolishing capitalism and its basis—commodity production—but *purging* that basis of abuses, of excrescences, and so forth; not abolishing exchange and exchange value, but, on the contrary, making it 'constitutional', universal, absolute, 'fair', and free of fluctuations, crises and abuses—such was Proudhon's idea" (see present edition, Vol. 20, p. 34).

The *new Proudhonism* is how Lenin described the reformist theories of the Kautskyites, who depicted the dominance of the monopolies and banks, the omnipotence of the financial oligarchy, colonial plunder, annexations and other intrinsic features of imperialism as accidental excrescences on capitalism, and concocted all manner of plans for "reconstructing" capitalism, removing monopoly "abuses", etc. Lenin exposed the reactionary nature of such theories, whose proponents "want to go 'back' to small capitalism (and not towards socialism)" (see p. 93 of this volume). p. 116

[16] *Kautsky's theory of ultra-imperialism* (*super-imperialism*)—an opportunist theory of a new phase of imperialism—"internationally united finance capital"—that would lead to an organised world economy, with imperialist contradictions abolished, by agreement between the capitalist countries. Lenin exposed the real social meaning and purpose of this "theory", which whitewashes and seeks to perpetuate imperialism. He described it as "a most reactionary method of consoling the masses with hopes of permanent peace being possible under capitalism, by distracting their attention from the sharp antagonisms and acute problems of the present times, and directing it towards illusory prospects of an imaginary 'ultra-imperialism' of the future. Deception of the masses—that is all there is in Kautsky's 'Marxist' theory" (see present edition, Vol. 22, p. 294).

Kautsky's theory of "ultra-imperialism" is repeated in different versions by latter-day apologists of imperialism. It finds expression in all manner of bourgeois and reformist projects for a world capitalist state with a single government, and so forth. (For Lenin's criticism of Kautsky's anti-Marxist theory, see present edition, Vol. 22, pp. 288-98). p. 151

[17] The figures on German iron output, written by Lenin in the margin, are from a table in the January 1911 issue of *Die Bank* (p. 95), in an item headed: "Iron and Steel Industry after 100 Years". Lenin quotes part of the table on p. 184 of this volume, under the heading "Recent Statistics on the Iron Industry". p. 183

[18] The data on the relations between finance capital and the governments, and Lenin's comments on them, were further developed in *Imperialism*, and other writings. Lenin showed that the development of monopoly and finance capital inevitably leads to a small group of industrial and financial magnates—a financial oligarchy—playing a decisive part in the economy and politics of the capitalist countries, the bourgeois state, too, being wholly subordinated to it. The monopolies subordinate and use the state machine by putting representatives of the government on their boards of directors and by having their own representatives enter capitalist governments. This has become a regular practice. In the U.S.A., for example, all the top government posts are held by men representing the main financial groups of Morgan, Rockefeller, etc. p. 183

[19] *Nietzsche, Friedrich* (1844-1900)—reactionary German philosopher, one of the ideologists of agrarian-bourgeois reaction. His works reveal him as a bitter enemy of democracy, the working class and Marxism. Nietzsche viewed social and political problems from the standpoint of subjective idealism and vulgar "social-Darwinism", the theory of the "superman". Its anti-democratic, reactionary character made Nietzscheism the accepted philosophy of fascism. Bourgeois ideologists widely use his theories to present imperialism as a social system that accords with "human nature", to justify aggression and extol predatory wars. p. 205

[20] The "United States of Europe" slogan, in its different variations, gained particularly wide currency during the First World War. It was vigorously boosted by bourgeois politicians and the Kautskyites, Trotskyists and other opportunists. In the political manifesto of the R.S.D.L.P. Central Committee, "The War and Russian Social-Democracy", published in *Sotsial-Demokrat* on November 1, 1914, Lenin stressed that "without the revolutionary overthrow of the German, the Austrian and the Russian monarchies" it was a false and meaningless slogan (see present edition, Vol. 21, p. 33). In his well-known article "On the Slogan for a United States of Europe", published August 23, 4915, Lenin wrote that "a United States of Europe, under capitalism, is either impossible or reactionary" (ibid., p. 340), and this was fully substantiated by his economic analysis of imperialism. p. 211

[21] *Monroe Doctrine*—a declaration of United States' foreign policy principles formulated by President James Monroe in a message to Congress on December 2, 1823. Based on the "America for Americans" slogan, the doctrine has been used by the U.S. as a cover for its colonialist plans in Latin America, for constant interference in the affairs of Latin American countries, the imposition of shackling treaties, the establishment and support of anti-popular regimes subservient to the U.S. monopolists, and aid for these regimes in their struggle against the national liberation movement. p. 211

[22] "*Imperialist Economists*"—an opportunist trend in the international Social-Democratic movement which made its appearance during the First World War. In the R.S.D.L.P. it came out in the open at the Berne Conference of the Party's sections abroad in the spring of 1915, when N. I. Bukharin put forward theses defending anti-Marxist views, which Lenin subsequently described as "imperialist Economism". Bukharin's theses were later supported by G. L. Pyatakov and Yevgenia Bosh. Similar ideas were expressed in the Draft Programme of the Revolutionary-Socialist Association and Social-Democratic Labour Party of Holland, in the American Socialist Labour Party, and in other parties. Lenin called "imperialist Economism" an international malady and launched a vigorous campaign against it. The "imperialist Economists" opposed self-determination of nations and the entire R.S.D.L.P. minimum programme, which envisaged a struggle for democratic changes. Lenin stressed the great significance of the national self-determination slogan in the era of imperialism. Marxists, he emphasised, should use all democratic institutions to prepare the overthrow of the bourgeoisie. "Through utilisation of bourgeois democracy to socialist and consistently democratic organisation of the proletariat against the bourgeoisie and against opportunism" (see present edition, Vol. 23, p. 27).

Lenin's criticism of "imperialist Economism" can be found in his works: "The Nascent Trend of Imperialist Economism"; "Reply to P. Kievsky (Y. Pyatakov)"; "A Caricature of Marxism and Imperialist Economism" (ibid., pp. 13-21, 22-27, 28-78) and in other writings. p. 247

[23] Engels in *Anti-Dühring*, Part II, Chapter III, "The Force Theory (Continuation)", writes as follows about the capitalist states: "The army has become the main purpose of the state, and an end in itself; the peoples are there only to provide soldiers and feed them. Militarism dominates and is swallowing Europe. But this militarism also bears within itself the seed of its own destruction. Competition among the individual states forces them, on the one hand, to spend more money each year on the army and navy, artillery, etc., thus more and more hastening their financial collapse; and, on the other hand, to resort to universal compulsory military service more and more extensively, thus in the long run making the whole people familiar with the use of arms, and therefore enabling them at a given moment to make their will prevail against the war-lords in command.... At this point the armies of the princes become transformed into armies of the people; the machine refuses to work, and militarism collapses by the dialectics of its own evolution". p. 248

[24] *Manchesterism* (Free Trade)—a trend of bourgeois economic policy which advocated freedom of trade and non-interference by the state in private economic activity. It arose in England at the end of the eighteenth century; in the thirties and forties of the nineteenth century the main support of Free Trade came from the industrial bourgeoisie of Manchester; hence the Free Traders were also called Manchesterites. The Manchester school was headed by Cobden and Bright. Free Trade tendencies in the era prior to monopoly capitalism also struck root in Germany, France, Russia and other capitalist countries. Free Trade was theoretically substantiated in the works of Adam Smith and David Ricardo. p. 268

[25] Lenin calls Kautsky a sophist and trickster for distorting the true nature of imperialism, evading the issue and using sophistries and spurious theoretical arguments to gloss over the deep-seated contradictions of imperialism and justify unity with the apologists of capitalism, the avowed social-chauvinists. p. 268

[26] *Kommunist*—a magazine founded by Lenin and published by the editorial board of the newspaper *Sotsial-Demokrat* jointly with G. L. Pyatakov and Yevgenia Bosh, who financed its publication. N. I. Bukharin was also a member of the editorial board. The only (double) issue, which appeared in September 1915, contained three articles by Lenin: "The Collapse of the Second International", "The Voice of an Honest French Socialist" and "Imperialism and Socialism in Italy" (see present edition, Vol. 21, pp. 205-59, 349-56, 357-66).

Lenin drew up the plan for the magazine in the spring of 1915. He intended to make *Kommunist* an international organ of the Left Social-Democrats. However, serious disagreements soon arose between the editors of *Sotsial-Demokrat* and Bukharin, Pyatakov and Bosh, and became more acute after the first issue was published. In view of the anti-Party attitude of this group, the *Sotsial-Demo-*

krat editorial board, on Lenin's proposal, decided that It was impossible to continue the magazine. p. 268

[27] See Marx and Engels, *Selected Works*, Moscow, 1962, Vol. I, p. 540. p. 310

[28] The text inside double lines refers to the contents of Notebook "ϑ". The first three items in the notebook occupy pages 1-10, the pages devoted to Riesser are separately numbered 1-16. Accordingly, in the summary plan for his book on imperialism, Lenin uses the signs "ϑ" and "ϑ P" followed by the page number to denote material in this notebook. p. 333

[29] In the *Notebooks* and in *Imperialism*, Lenin repeatedly refers to Hilferding's book *Finance Capital*. While drawing on its factual data in discussing particular aspects of monopoly capitalism, Lenin criticises the author for his non-Marxist propositions and conclusions on cardinal problems of imperialism. Lenin describes Hilferding—a prominent German Social-Democrat and Second International leader—as a Kantian and Kautskyite, a reformist and "persuader of the imperialist bourgeoisie" (see p. 613 of this volume). By divorcing politics from economics, Hilferding gives an incorrect definition of imperialism and finance capital; he glosses over the decisive role of the monopolies under imperialism and the sharpening of its contradictions; he ignores such important features of imperialism as the division of the world and the struggle for its re-division, and the parasitism and decay of capitalism, thus taking "a step backward compared with the *frankly* pacifist and reformist Englishman, Hobson" (see present edition, Vol. 22, p. 193). In spite of its serious errors, however, Hilferding's book played a positive part in the study of the latest phase of capitalism. p. 333

[30] *Kantianism*—the system of views of the eighteenth-century philosopher Immanuel Kant, elaborated in his works *The Critique of Pure Reason* (1781), *The Critique of Practical Reason* (1788) and *The Critique of Judgement* (1790). "The principal feature of Kant's philosophy," Lenin pointed out, "is the reconciliation of materialism with idealism, a compromise between the two, the combination within one system of heterogeneous and contrary philosophical trends" (see present edition, Vol. 14, p. 198). Kant tried to "reconcile" faith and knowledge, religion and science. Kantianism has been the philosophy of all manner of opportunists, including the Kautskyites. Marx and Engels revealed the essential nature of Kantianism; Lenin subjected it to thoroughgoing criticism in his *Materialism and Empirio-Criticism* (see present edition, Vol. 14, pp. 17-361).

Neo-Kantianism—a reactionary trend in bourgeois philosophy advocating subjective idealism as a revival of Kantian philosophy. It arose in the middle of the nineteenth century in Germany. The Neo-Kantians rejected dialectical and historical materialism. In his book, *Ludwig Feuerbach and the End of Classical German Philosophy*,

Engels described the Neo-Kantians as "theoretical reactionaries" and "cobweb-spinning eclectic flea-crackers". The Neo-Kantians advanced "ethical socialism" in opposition to scientific socialism. Their theory was seized upon by Eduard Bernstein and other revisionists.

Lenin exposed the reactionary nature of Neo-Kantianism and its connection with other trends of bourgeois philosophy (Machism, pragmatism, etc.). p. 334

[31] Lenin points out the falsity of Hilferding's assertion about Tugan-Baranovsky's "merit" in explaining the significance of Marx's theory of capitalist reproduction and crises. A bourgeois economist and prominent representative of "legal Marxism" in the nineties, Tugan-Baranovsky distorted and sought to refute Marx's theory. He denied the basic contradiction of capitalism and the resulting contradiction between the urge for continual expansion of production and restricted consumption owing to the proletarian state of the masses, and maintained that unlimited accumulation and unhindered expansion regardless of the consumption and living standards of the masses was possible. Now, too, bourgeois economists disseminate similar apologetic theories. Capitalist reality refutes these vulgarised doctrines and completely confirms the correctness of the Marxist theory of capitalist accumulation and crises. p. 336

[32] By the First World War, the *Thyssen Steel Company*, founded in 1871, was Europe's biggest iron and steel complex—it included the entire metallurgical cycle, plus coal and iron mines, general engineering and munition plants, transport and trading enterprises. In 1926, the Thyssen family played a leading part in the formation of the Steel Trust—the largest German war-industry combine and one of the most powerful German monopolies. The Thyssen concern helped bring the nazis to power; it was closely connected with a number of industrial and banking monopolies in nazi Germany and with international monopoly capital. After the Second World War the Steel Trust was split into two large concerns—Thyssen and Rheinstahl. The Thyssen concern holds a leading place in the West German iron and steel industry.

Hugo Stinnes started a steel mill in 1893; after the First World War it grew into a large monopoly concern with more than 1,500 enterprises in different industries. The concern went bankrupt shortly after Stinnes's death in 1924, but with the help of American banks his heirs managed to keep the concern in business. One of its offshoots, the Rhein-Elbe Union steel combine, became one of the main components of the Steel Trust. Control of the Stinnes concern passed to the Hugo Stinnes Corporation, a U.S. company in which the shares are held by Stinnes's heirs and American bankers who heavily invested in the concern. p. 346

[33] The extracts and accounts of various passages from Hobson's book were made by N. K. Krupskaya. In going though the extracts, Lenin underlined some passages, wrote comments and made notes

in the margin. The pages of the notebook were numbered by Lenin. His underlining is shown by the following type variations: a single underlining—*italics*; a double underlining—*spaced italics*; three lines—***small heavy italics***; a single wavy line—CAPITAL LETTERS; a double wavy line—S P A C E D C A P I T A L L E T T E R S. All Lenin's additions have been set in a **heavy face**; where these were once underlined—***heavy italics***, where twice underlined—***s p a c e d h e a v y i t a l i c s***.

In the preface to *Imperialism, the Highest Stage of Capitalism*, Lenin pointed out that he had made use of the book by J. A. Hobson with all the care it merited. John Atkinson Hobson (1858-1940) was a well-known British economist, whose point of view was that of a bourgeois reformist and pacifist. The best-known of his writings are *Problems of Poverty*, *The Evolution of Modern Capitalism* and *Imperialism*. Lenin described the last-named as the "principal English work on imperialism" and a typical example of the petty-bourgeois criticism of imperialism. Lenin points out that Hobson's book "gives a very good and comprehensive description of the principal specific economic and political features of imperialism" (see present edition, Vol. 22, p. 195). In the *Notebooks on Imperialism*, Lenin writes that "Hobson's book on imperialism is useful in general, and especially useful because it helps to reveal the basic falsity of Kautskyism on this subject" (see p. 116 of this volume). While making use of Hobson's rich factual data, Lenin criticised his reformist conclusions and his attempts, albeit veiled, to defend imperialism. p. 405

[34] *The Boer war* (1899-1902)—a colonial, predatory war of Great Britain against the South African republics, the Transvaal and Orange Free State, as a result of which these became British colonies. p. 422

[35] Lenin inserted here in the manuscript: "see the addition above, p. 7 of this notebook". And at the top of p. 7 he wrote: "(see p. 41 of this notebook)". Following this indication, the extract from p. 7 of the notebook has been included in the volume according to the sequence of the extracts from Hobson's book, and not according to the pagination of the notebook. p. 431

[36] The extracts from Sembat's book were made by N. K. Krupskaya. The markings and insertions (set in heavy type), underlinings (in italics if once underlined and in spaced italics if twice underlined) and pagination are Lenin's. p. 437

[37] *The list of quotations from Schulze-Gaevernitz's book* was compiled by Lenin when he read the book in order afterwards to make the corresponding extracts (see pp. 445-60 of this volume). Lenin entered the quotations from the first eleven pages in the sequence shown by him. These are followed in the notebook by a number of extracts from pp. 229-375 which are not mentioned in the list

(apparently, part of the manuscript has been lost). The end of the list, from p. 401, corresponds to Lenin's entries in the notebook. p. 445

[38] *Volksraad*—the Boer parliament. p. 453

[39] The data on coal output in 1911 were taken by Lenin from "International Surveys", table 19, in *Statistisches Jahrbuch für das Deutsche Reich*, 1915, p. 33. p. 465

[40] The figures for the consumption of tea and spirits refer to Australasia. p. 473

[41] In the preface to the French and German editions of *Imperialism, the Highest Stage of Capitalism* Lenin particularly mentions the importance of data on the world's railways for a characterisation of monopoly capitalism: "The uneven distribution of the railways, their uneven development—sums up, as it were, modern monopolist capitalism on a world-wide scale" (see present edition, Vol. 22, p. 190). The railway statistics quoted in this volume on pp. 484-90 and 492-95 show how Lenin collected and analysed extensive data on railway development in different countries (Great Powers, independent and semi-independent states, and colonies) in 1890 and 1913. Comparing these data with figures of iron and coal output, Lenin revealed the disproportion between the development of the productive forces and railway construction in various countries (as a result of colonial monopoly). The results of his study, summarised in two short tables, are given in Chapter VII of *Imperialism* (see present edition, Vol. 22, pp. 274-75). p. 484

[42] Here and below the reference is to the *Hamburger Echo*, the daily newspaper of the Hamburg Social-Democratic organisation. Founded in 1875 as the *Hamburg-Altona Volksblatt*; its name was changed in 1887. During the First World War it adopted a social-chauvinist position. It was closed by the nazi government in March 1933 and resumed publication in April 1946. p. 506

[43] King Leopold II of Belgium (1835-1909) resorted to intrigue, violence and bribery to take possession of a vast territory on the Congo River (1879-84). The Berlin Conference of 1884-85 endorsed its conversion into the personal property of Leopold II under the title of "the Congo Free State". Its conquest was accompanied by savage atrocities towards the African tribes. In 1908 Leopold "ceded" his personal rights to the Congo to Belgium, at great profit to himself, and it became a Belgian colony. Capitalist monopolies—Belgian, British, French and others—were complete masters of the country. Merciless capitalist exploitation led to repeated anti-imperialist actions by the people, which were brutally suppressed by the colonialists. Under pressure of the national liberation movement, independence was proclaimed on June 30, 1960, but foreign monopolies' domination continues. p. 523

[44] See K. Marx, *Capital*, Vol. III, Moscow, 1966, Chapter XXX, p. 478. p. 566

[45] The *resolution of the Stuttgart Congress of the Second International* (August 1907) on "Militarism and International Conflicts", in the drafting of which Lenin took part, branded militarism as one of the chief instruments of class oppression and stressed that Social-Democrats should exert every effort not only to prevent war, or bring it to an end if it breaks out, but also to take advantage of the crisis it creates so as to hasten the overthrow of the capitalist class. See Lenin's articles "The International Socialist Congress in Stuttgart" (present edition, Vol. 13, pp. 75-81, 82-93). p. 577

[46] *International Socialists of Germany* (*Internationale Sozialisten Deutschlands*)—a group of German Left-wing Social-Democrats who during the First World War united round the magazine *Lichtstrahlen* (Rays), published in Berlin from 1913 to 1921. Without wide contacts with the masses, the group quickly fell apart.

The *Internationale* group—a revolutionary organisation of German Left Social-Democrats, founded at the beginning of the First World War by Karl Liebknecht, Rosa Luxemburg, Franz Mehring, Clara Zetkin, Julian Marchlewski, Leo Jogiches (Tyszka), and Wilhelm Pieck. In April 1915 Rosa Luxemburg and Franz Mehring started the magazine *Die Internationale*, which united the main Left Social-Democrat forces. At the All-German Conference of Left Social-Democrats in Berlin on January 1, 1916, the organisation was formalised and the name *Internationale* Group adopted. In 1916, in addition to the political leaflets it had been issuing, it began illegal publication and distribution of "Political Letters" signed "Spartacus" (they came out regularly until October 1918), and the group began to be called the "Spartacus" group.

The Spartacists conducted revolutionary propaganda among the masses, organised mass anti-war demonstrations, led strikes and exposed the imperialist nature of the world war and the treachery of the opportunist Social-Democratic leaders. However, they committed serious errors in matters of theory and tactics.

In April 1917, the Spartacists joined the centrist Independent Social-Democratic Party of Germany, but preserved their organisational independence. During the November 1918 German revolution, the Spartacists broke with the Independents and formed the Spartacus League, and on December 14, 1918 published their programme. At the Inaugural Congress (December 30, 1918-January. 1, 1919) the Spartacists founded the Communist Party of Germany. Lenin repeatedly criticised the errors of the German Left Social-Democrats and pointed to their inconsistency, but he highly valued their revolutionary work. p. 584

[47] See Marx and Engels, *Selected Works*, Moscow, 1962, Vol. II, pp. 405-19; Lenin quotes p. 417. p. 589

[48] Lenin quotes from Kautsky's article "Religion~, published in *Die Neue Zeit*, 32nd year, 1913-14, Vol. 1, No. 6, November 7, 1913, pp. 182-88 (beginning of the article) and No. 10, December 5 1913, pp. 352-60 (end of the article). p. 590

[49] Lenin quotes from a notice of an article by M. W. Ovington, "The Status of the Negroe in the United States", which appeared in *Die Neue Zeit*, 1914, Vol. 1, pp. 382-83, and from a notice in the same magazine on p. 592 of an article by I. M. Raymond, "A. Southern Socialist on the Negro Question". p. 590

[50] *Industrial Workers of the World* (I.W.W.)—a trade union organisation of workers in the United States founded in 1905. It embraced mainly unskilled or semi-skilled workers in various industries. Daniel De Leon, Eugene Debs and Bill Haywood, prominent figures in the American labour movement, had an active part in its formation. The I.W.W. organised a number of successful mass strikes and anti-war demonstrations during the First World War. Some of its leaders, notably Bill Haywood, welcomed the Great October Socialist Revolution and joined the U.S. Communist Party. At the same time, I.W.W. activities had a strong anarcho-syndicalist tinge: it rejected proletarian political struggle, denied the leading role of the revolutionary workers' party and the need for proletarian dictatorship. Owing to the opportunist policy of its leadership, the I.W.W. degenerated into a sectarian organisation and rapidly lost influence in the labour movement.

The *Socialist Party of America* was formed in July 1901 at a congress in Indianapolis by a merger of break-away groups of the Socialist Labour Party and the Social-Democratic Party, one of whose founders, Eugene Debs, had an active part in organising the Socialist Party. In the First World War three trends developed in the Socialist Party: the social-chauvinists, who supported the government's imperialist policy; the Centrists, who opposed the imperialist war only in words; and the revolutionary minority, who took an internationalist stand and waged a struggle against the war.

The Socialist Party Left wing headed by Charles E. Ruthenberg, William Z. Foster, Bill Haywood and others, and supported by the Party's proletarian elements, fought the opportunist leadership and campaigned for independent working-class political action and for industrial trade unions based on the principles of the class struggle. The Socialist Party split in 1919; the Left wing withdrew from the party and became the initiator and main nucleus of the Communist Party of the U.S.A.

The Socialist Party is now a small sectarian organisation. p. 590

[51] See Marx and Engels, *Selected Works*, Moscow, 1962, Vol. I, pp. 636-39. p. 591

[52] The *Socialist Labour Party of America* was founded in 1876 at a Unity Congress in Philadelphia by a merger of the American sec-

tions of the First International and other socialist organisations. The Congress was held under the guidance of F. A. Sorge, long-standing associate of Marx and Engels. The bulk of the party consisted of immigrants largely unassociated with the American-born workers. In the early years, the party leadership was dominated by the Lassalleans, who committed errors of a sectarian and dogmatic nature. Marx and Engels severely criticised the American Socialists for their sectarian tactics. In the nineties the leadership passed to the Left wing, headed by Daniel De Leon. However, they committed anarcho-syndicalist errors. The S.L.P. repudiated the struggle for partial working-class demands, rejected work in the reformist trade unions, and gradually lost whatever ties it had with the mass labour movement. In the First World War it tended towards internationalism. Under the influence of the October Socialist Revolution in Russia, its more revolutionary section took an active part in forming the Communist Party. At present the S.L.P. is a small organisation without any influence in the labour movement.

The *American Federation of Labour* (A.F.L.)—America's biggest trade union centre, founded in 1881. Organised on craft principles, it united mainly the "labour aristocracy". Its official organ, the monthly journal *American Federationist*, began to be published in Washington in 1894. The reformist leadership of the A.F.L. advocated class collaboration, defended the capitalist system, pursued a splitting policy in the international working-class movement, and actively supported the aggressive foreign policy of U.S. imperialism. In 1955 it merged with the other big trade union federation, the Congress of Industrial Organisations (C.I.O.), and the organisation is known as American Federation of Labour-Congress of Industrial Organisations (A.F.L.-C.I.O.). p. 592

[53] This article was gummed into Notebook "o" in the form of a cutting from the *Leipziger Volkszeitung* of July 10, 1916. The author has not been identified. p. 601

[54] See Marx and Engels, *Selected Works*, Moscow, 1962, Vol. I, p. 497. p. 603

[55] See Marx's letter to Kugelmann, December 13, 1870.

The Notebook "Marxism on the State", which consists of preparatory materials for Lenin's *The State and Revolution*, was written in January-February 1917 in Zurich. The reference to the Notebook "Marxism on the State" was, apparently, made later, during Lenin's work on *The State and Revolution*. p. 603

[56] See Marx's letter to the editor of *The Daily News* of January 16, 1871. (Marx, Engels, *Selected Correspondence*, Moscow, 1915, p. 256). p. 603

[57] See Marx and Engels, *Selected Works*, Moscow, 1962, Vol. II, p. 463. p. 603

[58] The date given for Marx's letter in *Die Neue Zeit* is wrong; it should be February 4, 1871. p. 603

[59] See *The General Council of the First International, 1868-1870. Minutes*, Moscow, p. 405. p. 604

[60] See Marx's letter to Kugelmann, May 18, 1874. p. 604

[61] In his article "War Aims", Friedrich Adler quotes the statement of the Social-Democratic group in the Prussian Landtag of January 17, 1916. p. 612

[62] During the First World War Trotsky pursued a Centrist policy and supported social-imperialists. Lenin regarded Centrism as the most harmful and dangerous variety of opportunism, for masked opportunists are a hundred times more harmful and dangerous for the working-class movement. Led by Lenin, the Bolsheviks waged an implacable struggle against Centrism and its Trotskyist variety. Exposing the real nature of the Trotskyist slogan "neither victory nor defeat" Lenin pointed out that he who supports this slogan in the present war, "is consciously or unconsciously a chauvinist", "an '*enemy*' of proletarian policy", a supporter of the bourgeoisie (see present edition, Vol. 21, p. 279). p. 613

[63] See Marx and Engels, *Selected Works*, Moscow, 1962, Vol. II, pp. 406-19. p. 616

[64] The date given for Marx's letter in *Die Neue Zeit* is wrong; it should be August 4, 1874. p. 616

[65] *Vorbote* (Herald)—theoretical journal of the Zimmerwald Left, published in German in Berne. Two numbers appeared: No. 1, January 1916, and No. 2, April 1916. The official publishers were Henriette Roland-Holst and Anton Pannekoek. Lenin took an active part in organising the magazine and—after publication of the first issue—in arranging its translation into French so as to ensure a wider readership. Lenin's articles, "Opportunism and the Collapse of the Second International" and "The Socialist Revolution and the Right of Nations to Self-Determination (Theses)", were published in its pages. p. 620

[66] Marx, Engels, *Selected Correspondence*, Moscow, 1965, p. 408. p. 621

[67] Marx, Engels, *Selected Correspondence*, Moscow, 1965, p. 412. p. 622

[68] Marx's letter to Liebknecht was first published in 1878, in the second edition of Liebknecht's book. p. 625

[69] *Grütli-Verein*—a bourgeois reformist organisation founded in Switzerland in 1838, long before the organisation of the Swiss Social-Democratic Party. The name is derived from the Union of Grüt-

lians (conspirators), who rose against the Austrian oppression in the sixteenth century. In 1901 the Grütli-Verein affiliated to the Swiss Social-Democratic Party, but remained organisationally independent. Its newspaper, *Grütlianer*, followed a bourgeois-nationalist policy. In the First World War, the Grütli-Verein took up an extreme chauvinist position and became the mainstay of the Right-wing social-chauvinists. In November 1916, the Zurich Congress of the Swiss Social-Democratic Party declared that the Grütli-Verein's social-chauvinist activity was incompatible with membership of the Social-Democratic Party. p. 628

[70] See Marx and Engels, Gottfried Kinkel. *Neue Rheinische Zeitung Politisch-oekonomische Revue*, Rütten and Loening, Berlin, pp. 218-19. p. 633

[71] The book by Engels, *The Po and the Rhine*, was published in Berlin in 1859. p. 634

[72] See Marx and Engels, A review of Emile de Girardin: "Le socialisme et l'impôt" (see *Neue Rheinische Zeitung* No. 4, 1850. *Politisch-oekonomische Revue*, Rütten and Loening, Berlin, pp. 205-12). p. 634

[73] See Marx and Engels, *Third International Review from May to October*. (*Neue Rheinische Zeitung Politisch-oekonomische Revue*, Heft 5 und 6, pp. 304-33). p. 635

[74] See Marx and Engels, *First International Review*. (*Neue Rheinische Zeitung Politisch-oekonomische Revue*, Heft 2, pp. 115-21). p. 635

[75] In his article "The Collapse of the Second International" Lenin gives an appraisal of Brailsford's book, *The War of Steel and Gold* and uses Brailsford's facts to expose social-chauvinist theories (see present edition, Vol. 21, p. 218). p. 638

[76] This refers to government sanction for the operation of British capital abroad. p. 651

[77] The entries in this notebook were made by N. K. Krupskaya. The underlining of individual words, marginal notes, the pagination up to page 15, and the inscription on the cover, were made by Lenin. (Regarding the type used for emphasis, see Note 33). From p. 15 onwards, where extracts from Seeley's book begin (see p. 659 of this volume), Lenin made no marks. p. 653

[78] From Marx's letter to Weydemeyer, September 11, 1851. (See Marx and Engels, *Selected Correspondence*, Moscow, 1955, p. 69.) p. 654

[79] From Mars's letter to Weydemeyer, March 5, 1852. (See Marx and Engels, *Selected Correspondence*, Moscow, 1955, p. 86.) p. 654

[80] From Marx's letter to S. Meyer and A. Vogt, April 9, 1870. (See Marx and Engels, *Selected Correspondence*, Moscow, 1955, pp. 285-87.) p. 657

[81] The main text of the notebook, which Lenin headed "Imperialism~", was written by N. K. Krupskaya. Underlinings in the text, marginal marks, the inscription on the cover and pagination were done by Lenin. (Regarding the type used for emphasis see Note 33.) p. 669

[82] Marx, Engels, *Selected Correspondence*, Moscow, 1965, p. 351. p. 672

[83] Lenin obtained Egelhaaf's book from the Zurich Cantonal Library. Two request cards filled in by Lenin establish the approximate date of his work on this book. He made his request for the book on August 4, 1916; the library answered that it could supply it "towards the end of October". On October 4, 1916, Lenin asked for another (1908) edition and received the same answer. The time of his work on the book can be put as October-November 1916. p. 680

[84] "*Punti*"—the Chinese name for the indigenous inhabitants of the southern provinces of China. In Hübner's tables, from which Lenin made extracts, "Punti" were erroneously given as a separate nationality. p. 708

[85] *Karafuto*—the Japanese name for the southern part of Sakhalin. p. 708

[86] The conspectuses of the books by Demorgny and Jaeger, included in this Notebook, were compiled by Lenin after he had written *Imperialism*, apparently at the end of 1916 or beginning of 1917. p. 719

[87] The article for which this was the plan was apparently never written. The plan relates to 1912 or 1913 and was written on the same page as the next item (see p. 732 of this volume). p. 731

[88] August Bebel's article, "Deutschland, Russland und die orientalische Frage" ("Germany, Russia and the Eastern Question"), was published in 1886 in *Die Neue Zeit* (4th year, No. 11). Lenin apparently read it in connection with a lecture by the Bundist Kosovsky (M. Y. Levinson). The lecture was delivered between October 10 and 20, 1914 (see *Lenin Miscellany XIV*, p. 132). p. 732

[89] In the later part of October 1915, Lenin proposed to deliver lectures in Zurich and Geneva: "On the 22nd in Zurich, on the 20th in Geneva"—he wrote to V. A. Karpinsky in Geneva (see *Lenin Miscellany XI*, p. 184). The lecture in Zurich, "The International Socialist Conference of September 5-8, 1915", was delivered on October 23. Concerning the date of the Geneva lecture, Lenin wrote: "If possible, fix it for two days before or after" (ibid., p. 185). The subject of the Geneva lecture was, evidently, decided upon somewhat later: "I shall write about the lecture tomorrow" (letter to Karpinsky, October 6; ibid., p. 189). The conspectus, "Imperial-

ism and the Right of Nations to Self-Determination", apparently relates to the Geneva lecture delivered by Lenin on October 28, 1915. p. 735

[90] Lenin described the Zimmerwald Conference of internationalist socialists (September 1915), as a "first step" in the development of the international movement against the imperialist war. Socialists from eleven European countries, including Russia, Germany, France and Italy, took part.

The Conference Manifesto was directed against the imperialist governments that had unleashed the world war, and condemned, although not strongly enough, the social-chauvinists. On the basis of the Manifesto, the Zimmerwald group was formed.

The Zimmerwald Left, led by Lenin, took shape at the Conference. It sharply criticised the Kautskyite majority of the Conference and proposed that the resolutions call for a complete break with social-chauvinism and for revolutionary struggle of the masses against their imperialist governments.

The Zimmerwald Left elected a Bureau which after the Conference continued to work for unity of the revolutionary internationalist forces. p. 739

[91] *Struvism*, "legal Marxism"—a bourgeois-reformist distortion of Marxism. P. B. Struve and other "legal Marxists" tried to use Marxism and the working-class movement in the interests of the bourgeoisie. Lenin described Struvism in the following words: "Struvism is not merely a Russian, but ... an international striving on the part of the bourgeois theoreticians to kill Marxism with 'kindness', to crush it in their embraces, kill it with a feigned acceptance of 'all' the 'truly-scientific' aspects and elements of Marxism *except* its 'agitational', 'demagogic', 'Blanquist-utopian' aspect. In other words, they take from Marxism all that is acceptable to the liberal bourgeoisie, including the struggle for reforms, the class struggle (without the proletarian dictatorship) the 'general' recognition of 'socialist ideals' and the substitution of a 'new order' for capitalism; they cast aside 'only' the living soul of Marxism, 'only its revolutionary content" (see present edition, Vol. 21 p. 222). During the First World War, Struve was one of the ideologists of Russian imperialism; under cover of Marxist phrases he tried to justify the predatory war, annexations and the enslavement of small nations by the Great Powers. p. 739

[92] *G. Weill*—a German revisionist Social-Democrat, a native of Alsace-Lorraine. During the imperialist war he went over to the French, volunteered in the French army and was expelled from the Party. His credentials as a deputy were cancelled and he was declared a deserter. p. 741

[93] Reference is to "Great Britain's Capital Investments in Individual Colonial and Foreign Countries", by G. Paish, in the *Journal of the Royal Statistical Society*, Vol. LXXIV, Part 2, January

1911, pp. 167-87 (see *Lenin Miscellany XXVII*, pp. 443-47 and pp. 389-91 of this volume), and *Problems of World Economy* by B. Harms, Jena, 1912 (see *Lenin Miscellany XXVII*, pp. 203-19, *XXVIII*, p. 391 and pp. 286-93 of this volume). p. 743

[94] E. Philippovich's article "Monopolies and Monopoly Policy" was published in Karl Grünberg's *Archiv für die Geschichte des Sozialismus und der Arbeiterbewegung*, Vol. VI, 1916, pp. 157-74. p. 754

[95] "Imperialism and the Split in Socialism" was written by Lenin in October 1916 and published in December 1916 in *Sbornik Sotsial-Demokrata* No. 2 (see present edition, Vol. 23, pp. 105-20). p. 754

[96] *Lloyd-Georgism* was the name Lenin gave to the system of methods employed by the bourgeoisie to win over the broad masses, "a system of flattery, lies, fraud, juggling with fashionable and popular catchwords, and promising all manner of reforms and blessings to the workers right and left—as long as they renounce the revolutionary struggle for the overthrow of the bourgeoisie" (see present edition, Vol. 23, p. 117). Lenin named this system after the British political leader and Prime Minister David Lloyd George (1863-1945), whom he described as "a first-class bourgeois manipulator, an astute politician, a popular orator", who served the bourgeoisie well, bringing its influence to bear among the proletariat and giving sops to docile workers in the shape of minor reforms. p. 756

[97] "Theses on Imperialism and National Oppression", signed by the editorial board of *Gazeta Robotnicza* were published in No. 2 of the magazine *Vorbote*, from which Lenin made his summary.

Gazeta Robotnicza (Workers' Gazette)—illegal organ of the Warsaw Committee of the Social-Democratic Party of Poland and Lithuania, published from May to October 1906; 14 issues appeared under the editorship of G. Kamensky, after which publication ceased. After the split in the Polish Social-Democratic Party in 1912, two Warsaw Committees were formed and two organs were published under the same name, *Gazeta Robotnicza*; one by the supporters of the Chief Executive Committee in Warsaw (July 1911-July 1913), the other by the Opposition Warsaw Committee in Cracow (July 1911-February 1916). Lenin refers to the latter.

*Gazeta Robotnicz*a supported the Zimmerwald Left and took an internationalist stand on the war. But on a number of important issues (organisational break with the Centrists, attitude to the minimum programme during the war) it leaned towards Centrism. On the national question, its editorial board opposed national self-determination. Lenin discusses this in his "Letter from the Committee of Organisations Abroad to the Sections of the R.S.D.L.P." (see present edition, Vol. 22, pp. 157-60). On the *Gazeta Robotnicza* theses, see also Lenin's article "The Discussion on Self-Determination Summed Up" (ibid., pp. 320-60). p. 757

[98] This item, apparently, is a plan for an article or several articles on the revolutionary Marxist attitude versus the opportunist attitude towards imperialism. The beginning of the plan corresponds to the text of "Imperialism and the Split in Socialism" (see present edition, Vol. 23, pp. 105-20). To bring out the connection between imperialism and opportunism, Lenin critically analyses, in the plan and the article, the attitude of Kautsky, the outstanding spokesman of opportunism. He reveals "the inseparable historical connection between social-chauvinism and opportunism, as well as the intrinsic similarity of their political ideology" (ibid. p. 105). Lenin used only part of the plan in writing "Imperialism and the Split in Socialism". That is suggested by the concluding sentence of the article: "In the next article we shall try to sum up the principal features that distinguish this [Marxist—*Ed.*] line from Kautskyism" (ibid., p. 120). p. 758

[99] The reference, apparently, is to the errors of Wilhelm Liebknecht (vacillations towards national-liberalism) in 1864-70, when the bourgeois-democratic revolution in Germany was in its concluding stage, and the Prussian and Austrian exploiting classes were trying to devise a method of completing the revolution *from above*. Lenin pointed out that "Marx not only rebuked Lassalle, who was coquetting with Bismarck, but also corrected Liebknecht, who had lapsed into 'Austrophilism' and a defence of particularism; Marx demanded revolutionary tactics which would combat with equal ruthlessness both Bismarck and the Austrophiles" (see present edition, Vol. 21, p. 78, and also pp. 119 and 308). The Mensheviks and other national-liberals tried to make use of Wilhelm Liebknecht's errors to justify their chauvinist stand during the imperialist war of 1914-18. p. 758

[100] Analysing the development of opportunism in the international Social-Democratic movement, Lenin demonstrated the inevitability of its transformation into social-chauvinism during the imperialist war of 1914-18. In "Opportunism and the Collapse of the Second International" he showed that the opportunism of the years 1889-1914 and the social-chauvinism of the period of the First World War have the same class basis and the same political content, namely, alliance of the servitors to the bourgeoisie and the big capital against the working class, class collaboration, repudiation of revolution and the dictatorship of the proletariat. "*Social-chauvinism is the direct continuation and consummation of British liberal-labour politics, of Millerandism and Bernsteinism*" (see present edition, Vol. 22, p. 112). p. 759

[101] *Millerandism*—an opportunist trend named after the French socialist Millerand, who in 1899 joined the reactionary bourgeois government of France and helped the bourgeoisie carry out its policy. p. 759

[102] *Bernsteinism*—an opportunist trend in international Social-Democracy which arose at the end of the nineteenth century and derived its name from the German Social-Democrat Eduard Bernstein. In articles published in 1896-98 in *Die Neue Zeit*, the theoretical organ of the German Social-Democratic Party, and in his book *The Premises of Socialism and the Tasks of Social-Democracy* (1899), Bernstein came out against the Marxist theory of class struggle, the inevitable collapse of capitalism, against the socialist revolution and proletarian dictatorship. He urged Social-Democrats to confine themselves to achieving reforms that would improve the workers' economic position under capitalism. Bernstein's opportunist and revisionist views were supported by the Right wing of the German Social-Democratic Party and of other Second International parties. Only the Bolshevik Party, headed by Lenin, resolutely fought Bernsteinism and its adherents and successors.

In characterising one trend of opportunism and social-chauvinism, Lenin uses Engels's appraisal of the British Labour Party as a "bourgeois labour party". In "Imperialism and the Split in Socialism", Lenin states that a "bourgeois labour party" is inevitable and typical in all imperialist countries, and that "'bourgeois labour parties', as a political phenomenon, have already been formed in all the foremost capitalist countries" (see present edition, Vol. 23, p. 118). p. 759

[103] See Lenin's articles: (1) Opportunism and the Collapse of the Second International", published in *Vorbote* No. 1, January 1916 (see present edition, Vol. 22, pp. 108-20), and (2) "The Collapse of the Second International", published in 1915 in *Kommunist* No. 1-2 (see present edition, Vol. 21, pp. 205-59). p. 759

[104] See pp. 499-503 of this volume. p. 761

[105] Lenin compiled this list from the "Index of New Additions to the Zurich Library", 20th year, 1916, No. 1, January-March. p. 762

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