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MY THREE YEARS IN AMERICA

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Содержание

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INTRODUCTION
MY FUNDAMENTAL POLITICAL VIEWS BEFORE AND DURING THE WAR

It was in my own home, the German Embassy in London, where the atmosphere was entirely political, that I learned my first steps in politics. My father did not belong to that class of diplomats, so prevalent to-day, who treat politics as an occupation to be pursued only in their spare time. His whole life was consecrated to the cause of the German nation, and from my earliest childhood my mind was filled with the same idea, to the exclusion of all others.

Owing to my father's share in the negotiations which brought about the marriage of the Emperor Frederick with the Princess Royal of England, the Imperial couple became closely connected with my parents, and, as Crown Prince and Princess, frequently

resided at the Embassy in London. It was the entourage of the Emperor Frederick that first inspired in me those political views, which, during a long diplomatic career, gradually crystallized into the deep-rooted convictions of my political outlook. I believed Germany's salvation to lie in the direction of a liberal development of Unification and Parliamentary Government, as also in an attitude of consistent friendliness towards England and the United States of America. Thus, to use a modern phrase, I was an avowed supporter of the Western Policy. At the present moment, while we are standing as mourners at the grave of our national hopes, I am more than ever convinced, that had this policy been steadily pursued, we should have been spared the catastrophe that has overtaken us.

On the other hand, I will not deny, that even the Oriental Policy would have proved a feasible political scheme, if only we had decided to pursue it in good time. Albeit, I am of opinion that even Bismarck had already started us in the direction of the Western Policy, when in 1879 he decided in favor of Austria-Hungary and not Russia. Despite all that the careworn recluse of Friedrichsruhe may have written against Caprivi's policy, which was decidedly Western in tendency, he was himself the founder of the Triple Alliance, which, without the good-will of England, could not have come into existence. Had we pursued an Eastern Policy, though it would ultimately have led to the sacrifice and partition of Austria-Hungary, it would not have secured us those advantages in the Orient of which Marschall

speaks. Nevertheless, I have always regretted that we sent such a first-rate man to Constantinople, for him ultimately to become the able director of the false policy which we pursued there. There is an Oriental proverb which says: "Never lay your load on a dead camel's back."

If, as I always used to hope, we had resolved to adopt the Western Policy, we should in any case have had to be prepared, in certain circumstances, to venture with England's help upon a war against Russia. And the experiences of the Five-Years War have taught us that we should have won such a conflict with ease. I never wanted a war with Russia, and was never an enemy of that country; but I believed that our position among the nations of the world would compel us to decide one way or the other, and I felt, just as Caprivi did, that we should not very well be able to avoid war. Even if, in the event of a war between the Triple Alliance and Russia and France, England had only maintained an attitude of friendly neutrality, this would have proved very much more favorable for us than the situation which developed out of the Encirclement Policy (*Einkreisungspolitik*). Furthermore, had we pursued the Western Policy, we should have had to reckon with the possibility of England's wishing to moderate, even in a perfectly friendly manner, our somewhat explosive economic development. I should not, however, have regarded this altogether as a disadvantage. For, truth to tell, we grew a little too rapidly. We ought, as "junior partners" in Britain's world-empire, to have gathered our strength more slowly. As

an example of what I mean, take the policy which France and Japan have pursued since the beginning of the present century. If we had done the same, we should, at all events, have been saved from so seriously overheating the boilers of our industrial development, we should not have outstripped England as quickly as we undoubtedly could have done if we had been left to develop freely, but we should also have escaped the mortal danger which we drew upon ourselves by provoking universal hostility.

It is impossible now for me to demonstrate retrospectively that we should have been able to conclude an alliance with England. Prince Bülow denies that this was ever the case. Maybe that during his tenure of office this possibility did not offer a sufficient guarantee of future security to warrant our incurring the hostility of Russia. I am convinced, however, that an alliance with England would have been within our power, if we had pursued Caprivi's policy consistently, and the Kruger telegram had never been dispatched. Unfortunately we have always had statesmen at the helm in Germany, – Bismarck not excepted, – the bulk of whose views and knowledge were essentially continental, and who never felt quite at home with English ways of thinking. I feel perfectly satisfied on this point, however, that English commercial jealousy, with which we naturally had to reckon, would not have proved an insuperable obstacle to a good understanding with England, provided that we had declared ourselves ready, if necessary, to fight Russia.

The policy of the free hand, which we pursued until the

outbreak of war, aimed at the highest possible results. Prince Bülow, who was the inaugurator of this policy, might possibly have known how to steer us through the "Danger-Zone" without provoking war. And then in a few years to come, we should have become so strong and should have left the Danger-Zone so very far behind us, that, as far as human judgment could tell, we should no longer have had any need to fear war. German naval construction from the beginning of the present century certainly made our relationship to England very much worse, while it also materially increased the danger of our position from the standpoint of world-politics. The Bülow-Tirpitz notion of a *Risikoflotte,*[1] may, however, only have been practicable on condition that our diplomacy were sufficiently skilful to avoid war, as long as the "risk" idea in England was not able, of itself, to maintain peace.

German foreign policy had been ably conducted by Bismarck; but, in keeping with the times, it had been almost exclusively Continental and European. At the very moment when Bismarck withdrew from the arena, Germany's era of world-politics began. It was not the free bloom of our statesmen's own creative powers; but a bitter necessity, born of the imperative need of providing Germany's increasing population with sufficient foodstuffs. But it was not our world-politics, as such, that brought about our downfall; but the way we set to work in prosecuting our policy. The Triple Alliance, with its excellent Reinsurance Treaty, did

[1] Literally: a fleet for risks or for taking risks; a fleet to be used at a venture.

not constitute a sufficiently powerful springboard from which to take our plunge into world-politics. The Reinsurance contract could not be anything but a makeshift, which merely deferred the inevitable choice which had to be made between Russia and Austria-Hungary. In the course of time, we should either have had to decide entirely in favor of Russia, in the manner outlined above, or we should have had to try to come to an understanding with England, upon terms which, at all events, we should not have been at liberty to choose for ourselves. Unfortunately, however, it was an axiom of post-Bismarckian German politics, that the differences between Russia and England were irreconcilable, and that the Triple Alliance would have to constitute the needle-index of the scales between these two hostile Powers. This proposition was incessantly contested both verbally and in writing by Herr von Holstein, who was then the leading spirit at the Foreign Office. He perceived that its chief flaw was the weak point in the Triple Alliance itself, – that is to say, the differences between Austria-Hungary and Italy on the one hand, and Italy's dependence upon England's superior power in the Mediterranean on the other. Furthermore, he recognized the prodigious possibility, which was not beyond the art of English statesmanship, of a compromise between England and Russia. He did not see, however, how the hostility of the French to ourselves would serve as a medium for this universal coalition against us.

In the last Entente Note of the Five-Years War there is the

following passage:

"For many years the rulers of Germany, true to the Prussian tradition, strove for a position of dominance in Europe. They required that they should be able to dictate and tyrannize to a subservient Europe, as they dictated and tyrannized over subservient Germany."

We Germans know that this indictment is a lie; but unfortunately all unprejudiced Germans must acknowledge that for years this lie has been believed outside Germany. We, for our part, cherished similar views about our enemies, nor did we make a sufficient effort to dissipate their prejudices. On the contrary we constantly lent color to them by means of the extravagant and high-flown speeches, which formed the accompaniment to our world and naval policy, and by means of our opposition to pacifism, disarmament, and arbitration schemes, etc., etc. The extent to which our attitude at the Hague Conference damaged us in the eyes of the whole world is no longer a secret to anybody. As Heinrich Friedjung rightly observes:

"At the Hague Conference German diplomacy delivered itself up to the vengeance of the pacifists, like a culprit."

During my tenure of office in Washington I succeeded on three occasions in coming to an agreement with the Government there regarding the terms of an arbitration treaty. All three treaties were, however, rejected in Berlin, and consequently in America I never ceased from being questioned reproachfully as to the reason why the United States had been able to conclude

arbitration treaties with every other State in the world, but not with Germany.

The Entente Note, already quoted above, contained this further statement:

"As soon as their preparations were complete, they encouraged a subservient ally to declare war against Serbia at forty-eight hours' notice, knowing full well that a conflict involving the control of the Balkans could not be localized and almost certainly meant a general war. In order to make doubly sure, they refused every attempt at conciliation and conference until it was too late, and the world war was inevitable for which they had plotted, and for which alone among the nations they were fully equipped and prepared."

The leaders of the Entente Powers would like to exalt this distortion of history into a dogma, in order that their various peoples may not bring any unpleasant charges against them. And yet the historical truth is already pretty clear to all who look for it honestly and without prejudice. The German Government believed that the Serbian propaganda would annihilate Austria-Hungary, and hoped, moreover, that her last faithful ally would experience a political renaissance as the result of her chastisement of Serbia. That is why they gave Count Berchtold a free hand, in the belief that Count Bülow's success over the Bosnian crisis could be repeated. Meanwhile, however, the situation had changed. Russia and France, relying upon England's help, wanted to risk a war. When the German

Government saw this they tried, like a driver of a car about to collide with another vehicle, to jam on all breaks, and to drive backwards. But it was then too late. The mistake our Government made was to consent to Austria-Hungary's making so daring an experiment, at a moment of such critical tension.

It is not true either that we were thoroughly equipped and prepared for war. We had neither sufficient supplies of munitions, foodstuffs and raw materials, nor any plan of campaign for a war with England. Be this as it may, we should not have been defeated if we had abided firmly by our defensive policy. The heroic spirit displayed by the German people surpassed all bounds, and they believed quite honestly that they were fighting a war of defence. If our policy had been conducted with corresponding consistency we should have saved our position in the world. We ought always to have borne in mind the analogy of the Seven Years War, in order to have been ready at any moment to extricate ourselves from the hopeless business with the least possible amount of loss.

After the first battle of the Marne, President Wilson consistently maintained that a decision was no longer possible by force of arms. This view, which I also shared, gave us some common ground, upon which, despite our other differences, we were able to some extent to work together.

Regarding Dr. Wilson's personality certain doubts have been and are still entertained by many people. He is the most brilliant and most eloquent exponent of the American point of view.

But he does not devote the same energy and consistency to the execution of his various programmes as he does to their formation. There can be no question that, as a result both of his origin and his training, the President is very much under the sway of English thought and ideals. Nevertheless, his ambition to be a Peacemaker and an *Arbiter Mundi* certainly suggested the chance of our winning him over to our side, in the event of our being unable to achieve a decisive victory with the forces at our disposal. In this case, Wilson, as the democratic leader of the strongest neutral Power, was the most suitable person to propose and to bring about a Peace by arrangement.

After the opening of the U-boat campaign, two alternatives remained open to us, one of which we were compelled to choose. If the prospects of a U-boat war promised to secure a victory, it was naturally incumbent upon us to prosecute it with all possible speed and energy. If, as I personally believed, the U-boat war did not guarantee a victory, it ought, owing to the enormous amount of friction to which it could not help giving rise, under all circumstances to have been abandoned; for, by creating American hostility, it did us more harm than good.

I, as the German Ambassador, in the greatest neutral State, with the evidences of American power all about me, could not help feeling it my duty to maintain our diplomatic relations with the United States. I was convinced that we should most certainly lose the war if America stepped in against us. And thus I realized ever more and more the supreme importance of preventing this

from taking place.

My communications to the Central Government were framed with a view to inducing them also to adopt this attitude; but they, of course, had to form their conclusions, not from one source, but from all the sources of information they possessed. At all events, isolated as I was at Washington, I could not confine myself merely to the task of furnishing my Government with information; but was compelled on occasion to act on my own initiative, in order to prevent any premature development in the diplomatic situation from becoming utterly hopeless.

The policy for which I stood not only promised the negative success of keeping America out of the war, but it also offered the only prospect there was of obtaining, with neutral help, a Peace by arrangement. My belief that such a peace could have been obtained through Dr. Wilson is, of course, no longer susceptible of proof to-day. It may perhaps sound improbable in view of the President's behavior at Versailles. It is my opinion, however, that, previous to the 31st of January, 1917, Dr. Wilson's attitude towards us was radically different. I base my assumption that Wilson might in those days have assisted us in obtaining a Peace by negotiation upon the following points:

(1) A Peace by mediation was the only way in which the United States could avoid becoming involved in the war, and this is what the American public opinion of the day wished above all to prevent.

(2) It is true that even if he had wished to do so, Wilson

could not have declared war on England, neither could he by any exercise of force have prevented the delivery of munitions to the Allies, or have compelled England to observe the rights of nations. He could, however, have obliged England to conclude a Peace by arrangement with us; not only because in so doing he would have had the support of American public opinion, but also because such a policy was in keeping with the best political interests of the United States.

I therefore pursued the policy of Peace with undeviating consistency, and to this day I still believe it to have been the only right policy. A thorough prosecution of the U-boat campaign was also a feasible scheme. But the worst thing that we could possibly do, was, to steer the zigzag course; for by so doing we were certain not only to cause constant vexations to America, but, by our half measures and partial pliancy, also to drive Mr. Wilson even further and further into the inflexible attitude of a policy of prestige. Unfortunately, however, it was precisely this zigzag course that we adopted; and thus, in addition to destroying the prospects which my policy had offered, according to the view of the Naval people, we also crippled the effects of the U-boat campaign.

My policy might best be described as that of "a silent resolve to obtain Peace." It was utterly wrong to publish our readiness for Peace broadcast. We should have presented a strong front to the outside world, and we should have increased the powers of resistance which we actually possessed by emphasizing our

strength both to our people at home and to other States. According to my view, we ought, after the first battle of the Marne, to have recognized in our heart of hearts that victory was out of the question, and consequently we should have striven to conclude a Peace, the relatively unfavorable terms of which might perhaps have temporarily staggered public opinion in Germany and created some indignation. It was not right, however, to allow deference to public opinion to outweigh other considerations, as it did in our case. The political leaders of the Empire ought to have kept the High Military Command, which from its point of view naturally demanded firmer "assurances" than the general situation warranted, more thoroughly within bounds, just as Bismarck did. Presumably the High Military Command would have been able to perform its duties quite as efficiently if it had been prevented from exercising too much influence on the policy which aimed at a conclusion of peace.

As a politician I consider that the ultimate cause of our misfortune was our lack of a uniform policy both before and during the war. If, at the time of Bismarck's retirement, we had made a timely and resolute decision either in favor of the Western Policy that he advocated, or in favor of the Eastern Policy, we should have prevented the development of a situation in the politics of the world which ultimately led to our own undoing. If, during the war, however, we had completely abandoned the U-boat campaign, and had made every possible effort to come to an understanding with America, we should, in my opinion,

have been able to extricate ourselves from it satisfactorily. Be this as it may, it is also possible that if the U-boat campaign had been prosecuted resolutely, and without any shilly-shallying – a thing I never wished – we should not have suffered so complete a collapse from the military, economic, political and moral point of view, as we must otherwise have done. According to my view it is the hesitating zigzag course that we pursued which is chiefly to blame for the fact that of all possible results of the epoch of German world-politics, the unhappiest for ourselves has come to pass. The Wilhelminian Age perished owing to the fact that no definite objects were either selected or pursued in good time, and, above all, because both before and during the war, two systems in the Government of the country were constantly at variance with each other and mutually corroding.

CHAPTER I
GERMANY AND THE UNITED STATES BEFORE THE WAR

Anyone who has lived some time in the United States will feel with Goethe that "America is better off than our own Continent." Owing to the almost perfect autarchy existing there, grave economic problems never really arise. Nowhere else, during the whole course of my various diplomatic wanderings, have I ever seen a happier people, who looked more cheerfully into the future. In view of the comparatively sparse population of the country, intensive agricultural production has only become necessary in a few isolated districts; there are always purchasers in plenty for the rich surplus of raw materials available, and industry has not yet been directed solely towards export. As a result of these happy conditions, the American citizen feels but little interest for what goes on in other countries. In the period preceding the Five-Years War, if the political interests of the United States ever happened to cross those of Europe, it was almost exclusively in regard to American questions. As a proof of this we have only to think of the Spanish-American War, and of the various incidents relating to Venezuela; whereas it was only with difficulty that the German Government succeeded in inducing President Roosevelt's Administration to take part in the

Algeciras Conference, at which the presence of the United States representative in no way alleviated our task.

Up to the time of the Five-Years War, the Foreign Policy conducted from Washington was almost entirely Pan-American, and the Monroe Doctrine was the beginning and end of it; for even if that versatile man, President Roosevelt, was fond of extending his activities to other spheres, as, for instance, when he brought the Russo-Japanese War to an end by the Peace of Portsmouth, the Panama Canal scheme remained his favorite child. But in the case of the Russo-Japanese War, it was home politics, which in America are chiefly responsible for turning the scales in regard to Foreign Policy, that again played the principal part. Mr. Roosevelt wished to win over to his side the very strong pacifist element in America; whereas the Imperialists – particularly later on – deprecated these successful attempts at mediation, because they prevented a further weakening of both of the belligerent parties. Even Roosevelt's Secretary of State, John Hay, concerned himself actively with the Far East, and was known in America as the spiritual founder of the policy of the "Open Door." In this particular matter, the German Government frequently acted hand in hand with the American, and it was owing to this circumstance that the Foreign Office at Berlin very much wished to have the United States represented at the Algeciras Conference. The German Government believed that the Americans would also declare themselves in favor of the "Open Door" even in Morocco. This assumption, however,

turned out to be a false one, owing to the fact that the political and economic interest shown by the United States for countries on the other side of the Atlantic Ocean was not sufficiently keen. The Algeciras Conference was a fairly trustworthy forecast of all that subsequently happened at the Peace Conference at Versailles. Equally lacking in foundation was also the assumption, so prevalent in Germany, that, as the result of their energetic Far-Eastern policy, the Americans would plunge themselves into a serious conflict with Japan.

The question of the Philippines, which arose out of the Spanish-American War and the Cuban affair, constitutes a certain contrast to the customary Pan-American Foreign Policy of the United States. A large number of Americans – possibly the majority – would like to relinquish the Philippines as soon as the inhabitants of these islands are in a position to rule themselves. At its inception, the question of the Philippines brought us into a conflict with the United States, which was remembered by Americans for years. Heinrich Friedjung, referring to this incident, says:

"Quite superfluously it occurred to the German Government to make our East-Asiatic Squadron, under Admiral Diederichs, appear before Manila precisely at the moment when, in 1898, the decision was made regarding the Philippines. This was done simply out of a pointless consciousness of power, without any intention to cause offence."

This criticism is partly justified. And yet the affair was

somewhat different from the version of it which the American Ambassador, Andrew White, allowed to filter through; for, seeing that, as the United States did not intend to retain the Philippines, they could raise no objection to Germany's wishing to acquire them. Thanks to his friendly attitude towards Germany, Andrew White had, on his own initiative, exceeded his instructions and was duly censured by his Government for his zeal. Nevertheless, a misunderstanding had occurred, as the result of which the Berlin Foreign Office had acted in perfect good faith. In the public mind in the United States, however, the feeling still rankled that Germany had wished to make a demonstration against their Government; and the English Press, which at that time was hostile to us, applied the bellows enthusiastically to the glowing embers of American ill-humor.

The Venezuela affair, in the year 1902, which was a matter of lodging certain complaints against the Venezuelan Government, ended in a similar manner. Germany and England together sent their ultimatum to Venezuela, and when no heed was paid to it, they instituted a blockade of a number of Venezuelan ports. It was at this time that I was appointed Secretary to the Embassy in London, where I had to conduct a good deal of the negotiations regarding the Venezuela question, with the Foreign Office. The whole affair, as initiated by ourselves, was, in proportion to the German claims, much too elaborate. The first suggestion which led to the common action on the part of the British and ourselves, came from the English side; but we should have been wiser,

from the point of view of our own advantage, if we had not listened to the suggestion. It was absolutely clear from the start that the American Government would raise objections to this sort of procedure, on the part of European powers, in South America, and that England, true to her usual custom, would climb down before the United States the moment she recognized plainly the latter's displeasure. And when public opinion in America raised a violent protest, and, incidentally, resolutely assumed that Germany wished to obtain a footing in Venezuela, the English Press attacked us in the rear by asserting that the whole affair had been engineered by Germany, in order to embroil England with the United States. At President Roosevelt's wish the matter was finally settled with America's help; but in the United States it left behind the widely prevalent impression that Germany would infringe the Monroe Doctrine the moment she had the power to do so.

President Taft, who in the year 1909 took President Roosevelt's place, endeavored, with his Secretary of State, Philander Knox, to develop still further the policy of the "Open Door," inaugurated by John Hay. Both gentlemen felt the keenest interest in the Far East. The former had been Governor of the Philippines, the latter had been closely connected with the Pittsburgh iron industry, and knew the need of extending its sphere of activities. Mr. Knox suggested the proposal of internationalizing the railways of Manchuria. When, however, this American notion met with response in Germany, and apart

from its general rejection elsewhere, had the further effect of drawing Japan and Russia together again, Mr. Knox abandoned his active Far-Eastern policy, and confined himself to stimulating the large banks of America into becoming interested in the building of railways and other economic means of development in China. This policy was described as "Dollar Diplomacy" by the Democratic Opposition, and violently opposed. When, therefore, the votes went against the Republican Party, and President Wilson came to the helm, he let the Far-Eastern policy drop. High Finance immediately seized this opportunity in order to extricate itself from Chinese undertakings. It had only embarked upon "Dollar Diplomacy" at the request of the Government, and the venture had yielded but little profit, owing to the fact that Americans are not inclined to invest in foreign securities.

Secretary of State Knox's policy, which was always supported by us, accounted for the fact that the official relations between the German and American Governments were never more cordial than during the years 1909-13, in spite of a short disturbance resulting from a dispute over our potash exports to the United States. The best proof of how friendly the official relations of the two Governments were is shown by the ease with which this quarrel was settled. We were also successful in concluding a commercial agreement which was satisfactory to both sides, and overcame the danger of a customs war as the result of America's new customs tariffs; whereas Taft's economic plans, which aimed

at reciprocity and union with Canada, came to grief for political reasons, as the result of Canadian Opposition, and left behind a bitter after-taste both in the United States, Canada and England.

Official diplomatic communications excepted, however, it must unfortunately be admitted, that mutual misunderstanding has been the principal feature of German-American relations. In Germany there was no understanding for the curious mixture of political sagacity, commercial acumen, tenacity and sentimentality, which goes to make up the character of the American people. The power of the Union was therefore underestimated by us, and the high-spirited utterances of American youthful strength were more disapproved of than was necessary, because they were interpreted as mere "bluff" and arrogance. We never sufficiently allowed for the fact that the Americans are very "emotional" – that is to say, that they are easily carried away by their feelings and then become uncertain. Political surprises in the United States are almost the rule.

On the other hand, Americans never give themselves time to learn to understand a foreign nation. A knowledge of foreign languages is by no means general in the United States. The Americans unconsciously borrow their thoughts and ideas from England, because it is the only nation whose literature and Press are accessible to them in the original tongue. Naturally this fact contributed very considerably, before the Five-Years War, towards making the comprehension of Germany difficult; because in those days German-English relations were growing

more and more unfavorable every day, and this decline in friendliness found a powerful echo in the English Press and other literature. The English language exercises more absolute power in the United States than even in England itself. For example, it would never occur to any diplomat in Washington to transact his business in any other language than English. Whereas, in London, I never once heard the French Ambassador pronounce one word of English – even in an after-dinner speech – M. Jusserand in Washington always spoke English. But, in spite of the claim that the French make, that their language prevails in diplomatic circles, he could not have done otherwise; because I have never, during the whole of the eight years of my official activities in Washington, met one Secretary of State who had mastered any other language than English. It is obvious that this state of affairs opens all doors and avenues to English political and cultural influences.

Thus, before the outbreak of the Five-Years War, the majority of Americans already looked upon the Germans, however unconsciously, through the optics of the English Press and English literary publications. A large number of people in the United States honestly believed, moreover, in the rumored German scheme to seize the empire of the world. Our enormous successes in the economic field provoked unbounded admiration and led, on the one hand, to an over-estimation of our power, which did not prove favorable to us politically, while, on the other hand, the Americans who frequently indulged in generalizations

about Germany were prone to judge us according to the German-American Beer-Philistine, whom they disdainfully called a "Dutchman." The Americans' view of the German people wavered between these two extremes; but every year opinion tended to incline more and more in the direction of the former. The phantom of a German world-empire, extending from Hamburg to Bagdad, had already taken possession of the American mind long before the war; and in the United States it was feared that the next step would be that this world-empire would infringe the Monroe Doctrine and found colonies in South America. Professor Baumgarten, in an entertaining book, has pointed out to what extent the publications of the Pan-German party contributed towards promoting such conceptions in America.

Our Press was a little too fond of making attacks on the Monroe Doctrine in particular. I was always of the opinion that we ought, openly and officially, to have recognized this American article of faith. As regards the Monroe Doctrine, the question is not one of Right, but one of Power. We certainly had not the power to infringe the Monroe Doctrine, even if we had had the intention, which was never the case. It would, therefore, have been more wise to acknowledge it, and thus to improve the political attitude, towards ourselves, of a country on which we were so very much dependent for a number of our raw-material supplies. I have often wondered whether the Imperial Government would not have regarded it as its duty to avoid war

at all costs, if our economic dependence upon foreign countries had been more clearly recognized. German prosperity was based to a great extent on the Germans overseas, who had settled down in every corner of the earth, just as in former days the Greeks had settled all over the Roman Empire. The Germans overseas constituted a colonial empire, which was a far more precious source of wealth than many a foreign possession belonging to other Powers. In my opinion not sufficient allowance was made for this state of affairs.

Finally, a further cause of misunderstandings, as I have already mentioned in the Introduction, was to be found in the general disfavor with which American pacifist tendencies were regarded in Germany. Nine-tenths of the American nation are pacifists, either through their education and sentimental prepossession in favor of the principle, or out of a sense of commercial expediency. People in the United States did not understand that the German people, owing to their tragic history, are compelled to cultivate and to uphold the martial spirit of their ancestors. The types of the German officer of the reserve and of the members of the student corps are particularly unsympathetic to the American, and, for certain German foibles, all sign of that understanding that readily forgives, is entirely absent in the United States, owing to the fact that our historical development is not realized over there.

Although the Americans are largely and unconsciously swayed by the influence of English ideas, we must be careful to avoid

falling into the error, so common in Germany, of regarding them as Anglo-Saxons. The Americans themselves, in their own country, scarcely ever call themselves Anglo-Saxons. This term is used by the English when they are anxious to claim their American cousins as their own. Occasionally, too, an American may use the expression when making an after-dinner speech at some fraternizing function. As a rule, however, the Americans insist on being Americans, and nothing else. On the 11th May, 1914, at a memorial service for the men who fell at Vera Cruz, President Wilson, in one of his finest speeches, said:

"Notice how truly these men were of our blood. I mean of our American blood, which is not drawn from any one country, which is not drawn from any one stock, which is not drawn from any one language of the modern world; but free men everywhere have sent their sons and their brothers and their daughters to this country in order to make that great compounded nation which consists of all the sturdy elements and of all the best elements of the whole globe. I listened again to this list of the dead with a profound interest, because of the mixture of the names, for the names bear the marks of the several national stocks from which these men came. But they are not Irishmen or Germans or Frenchmen or Hebrews or Italians any more. They were not when they went to Vera Cruz; they were Americans; every one of them, with no difference in their Americanism because of the stock from which they came. They were in a peculiar sense of our blood, and they proved it by showing that they were of our

spirit, that no matter what their derivation, no matter where their people came from, they thought and wished and did the things that were American; and the flag under which they served was a flag in which all the blood of mankind is united to make a free nation."

The above words of President Wilson are the key to the attitude of the Americans who are of German origin. True, these people, almost without exception, still cling to their old home with heartfelt affection; but they are Americans, like the rest of the nation. "Germania is our mother, and Columbia is our bride," said Carl Schurz, and with these words he described the situation in a nutshell. Just as a man shall "leave his father and his mother, and shall cleave unto his wife," so the man who is generally styled the German-American decides in favor of his new home-land, when a conflict arises between America and Germany. He will, however, do anything in his power to avoid such a conflict. Even before the war, we in Germany entirely failed to understand the difficult and delicate position of the American of German origin. And during the war this was more than ever the case. The question of the "German-Americans" has never been dealt with tactfully in Germany. Our greatest mistake was to expect too much from them. The Americans of German origin have retained in their new home all the failings and virtues of the German people. *We* could not, therefore, blame them if they showed less interest and less understanding in regard to political questions than the rest of America; for did they not, on the other

hand, distinguish themselves by their respect for the established order of things, and by the fidelity and industry with which they pursued their various callings? The inevitable consequence of these national qualities was that they did not exercise the political influence which would have been only in keeping with their numerical superiority. For instance, I might mention that, on the occasion when I first visited Milwaukee, I was welcomed by an Irish mayor, a circumstance which somewhat surprised me, seeing that at the time the town contained from 300,000 to 400,000 Germans.

In consequence of the state of affairs described above, the principal object of German policy in the United States before the war was to try to bring about a more satisfactory understanding between the two peoples. Prince Henry's journey to America, the exchange of University professors and school teachers, which took place on this occasion, the visits of the two fleets, the American Institute in Berlin, and similar more or less successful undertakings served the same purpose. German diplomatic representatives were instructed to promote this policy with all their power. When I was appointed Ambassador in Washington, the Kaiser's and the Chancellor's principal injunction, in taking leave of me, was that I should enlighten public opinion in the United States regarding the peaceful and friendly intentions of German policy. Prince Bülow also said to me that I must without fail bring the negotiations about an Arbitration Treaty with the United States, which had been left unfinished owing

to the death of my predecessor, to a satisfactory conclusion. Despite these definite instructions, the German Government, as I have already pointed out, ultimately blundered and stumbled over legal quibbles. In any case, however, Prince Bülow had meanwhile vacated his office. The effect upon the American mind of our obstruction of this matter should not be underestimated. It helped not a little to convince public opinion in the United States of the alleged warlike intentions of the German people.

In accordance with American custom, the semi-official and semi-private activities concerned with fostering a better understanding between the two States had to be published to the whole world, and this had the inevitable disadvantage of provoking opposition, both in Germany and in the United States, among all those who had reasons for being hostile. Unfortunately, the official representatives of Germany in Washington were always a thorn in the side of a certain section of the German Press, whenever they tried, in consideration of the American attitude of mind and social customs, to introduce a warmer feeling into the relations between the two sides. Even in the time of my predecessor, Speck von Sternburg, the German Embassy was on such occasions charged with softness and an excessive desire to become adapted to American ways; and this remained the case during my tenure of office.

Our Press in general, moreover, never revealed a sufficient amount of interest or understanding in regard to American

affairs. There were only a very few German newspaper correspondents in the United States, and those that did happen to be there were too poorly paid to be able to keep properly in touch with American social life. About twelve months before the war, the well-known wealthy German-American, Hermann Sielcken, offered to help me out of this difficulty by undertaking to pay the salary of a first-rate American journalist, of German origin, who was to reside in Washington, and act as the representative there of Wolff's telegraphic bureau. I immediately took steps to organize this telegraphic service. Very shortly afterwards, however, I was informed by Berlin, that the telegrams would be too expensive, as the subject was not of enough interest, and in this case the Wolff Bureau would only have had to defray the cost of the actual telegrams. This was the way the supply of news was organized in a country that imagined it was practising world-politics.

Mr. Wilson took up his quarters in the White House, Washington, about a year before the war, and opened his period of office with several internal reforms. Then came the American-Mexican crisis, and relations with Europe in general, and Germany in particular, therefore, fell somewhat into the background.

Woodrow Wilson was a University don and an historian. His works are distinguished by their brilliant style and the masterly manner in which he wields the English language – a power which was also manifested in his political speeches and proclamations. Mr. Wilson sprang into political and general fame when he was

President of the University of Princeton, and was elected as Governor of the State of New Jersey. Even in those days he displayed, side by side, on the one hand, his democratic bias which led him violently to oppose the aristocratic student-clubs, and on the other, his egocentric and autocratic leanings which made him inaccessible to any advice from outside, and constantly embroiled him with the governing council of the University. As Governor of New Jersey, The Holy Land of "Trusts," Mr. Wilson opened an extraordinarily sharp campaign against their dominion. Mr. Roosevelt, it is true, had spoken a good deal against the trusts, but he had done little. He could not, however, have achieved much real success, because the Republican Party was too much bound up with the trusts, and dependent on them. At the time when Mr. Roosevelt wanted to take action, he also succeeded in splitting up his party, so that real reform could only be expected from the Democratic side. The conviction that this was so was the cause of Mr. Wilson's success in the Presidential election of 1912.

In regard to external politics, Mr. Wilson was pacifistic, as was also his party; whereas the Imperialists belonged almost without exception to the Republican Party. In spite of "Wall Street," and the influence of English ideas and opinions upon American society, Pacifist tendencies largely prevailed in the United States before the outbreak of the Five-Years War; how much more was this the case, therefore, when Mr. Wilson, in accordance with American custom, gave the post of Secretary of State to

the politician to whose influence he owed his nomination as candidate for the Presidency by the Democratic Party. Thus did Mr. William Jennings Bryan attain to the dignity of Secretary of State after he had thrice stood as a candidate for the Presidency without success.

In all political questions, Mr. Bryan followed a much more radical tendency than Mr. Wilson. His opponents call him a dishonest demagogue. I, on the contrary, would prefer to call Mr. Bryan an honest visionary and fanatic, whose passionate enthusiasm may go to make an exemplary speechmaker at large meetings, but not a statesman whose concern is the world of realities. He who in his enthusiasm believes he will be able to see his ideal realized in this world next Thursday week is not necessarily dishonest on that account, even if he overlooks the fact that things are going very badly indeed.

It was believed in a large number of circles that Mr. Bryan would not accept the post of Secretary of State, for even at that time everybody who was in the know was already aware that Mr. Wilson could only tolerate subordinates and not men with opinions of their own. Mr. Bryan, however, felt the moral obligation, at least to attempt to give his radical views a chance of succeeding, and declared, as he took over the post, that so long as he was Secretary of State the United States would never go to war. He even wanted this principle to be generally accepted by the rest of the world, and with this end in view, submitted to all foreign Governments the draft of an Arbitration

and Peace-Treaty, which was to make war utterly impossible in the future. As is well known, the German Government, unlike all the others, refused to fall in with Mr. Bryan's wishes. The Secretary of State was a little mortified by this, even though he still hoped that we should ultimately follow the example of the other Powers. Every time we met, he used to remind me of his draft Arbitration Treaty, which I had forwarded to Berlin. Later on I often regretted that we did not fall in with Mr. Bryan's wishes; who, by the by, during the war, again returned to the question, but in vain. If the treaty had been signed by us, it would most probably have facilitated the negotiations about the U-boat campaign.

The diplomatic corps in Washington thus found itself confronted by an entirely new situation. The Republican Party had been at the helm for sixteen years, and had now to vacate every one of the administrative posts. Even our personal intercourse with the President was governed by different formalities from those which existed in the days of his predecessors. Mr. Roosevelt liked to maintain friendly relations with those diplomats whose company pleased him. He disregarded the old traditional etiquette, according to which the President was not allowed to visit the Ambassadors or any private houses in Washington. The friendly relations that existed between Mr. Roosevelt and Baron Speck von Sternburg are well known. When in the year 1908, after this gentleman's decease, I assumed his post at Washington, Mr. Roosevelt invited me to

the White House on the evening after my first audience, to a private interview, in which every topic of the day was discussed. Invitations of this kind were of frequent occurrence during the last two months of Roosevelt's administration, which, at the time of my entering office, was already drawing to its close. For instance, Mr. Roosevelt showed me the draft of the speech which after his retirement he delivered at the University of Berlin.

My dealings with President Taft were on the same footing; for he also was in favor of an amicable and unconventional relationship. On one occasion he invited me to join him in his private Pullman on a journey to his home in Cincinnati, where we attended the musical festival together. On another occasion, he suddenly appeared, without formal notice, at the Embassy, while we were holding a ball in honor of his daughter, and later on he accepted an invitation to my daughter's wedding.

President Wilson, who by inclination and habit is a recluse and a lonely worker, does not like company. He re-introduced the old etiquette and confined himself only to visiting the houses of Cabinet members, which had been the customary tradition. He also kept himself aloof from the banquets, which are such a favorite feature of social life in America, and severely limited the company at the White House. Thus the New Year Reception was discontinued entirely. This attitude on the part of the President was the outcome of his tastes and inclinations. But I certainly do not believe that he simply developed a theory out of his own peculiar tastes, as so often happens in life. I am more

inclined to believe that Mr. Wilson regarded the old American tradition as more expedient, on the grounds that it enabled the President to remain free from all intimacy, and thus to safeguard the complete impartiality which his high office demanded. The peculiar friendship which unites Mr. Wilson with Mr. House is no objection to this theory, for the latter has to some extent always been in the position of a minister without portfolio. An adviser of this sort, who incurs no responsibility by the advice he gives, is more readily accepted by American opinion than by any other, because the President of the United States is known to be alone and exclusively responsible, whereas his ministers are only looked upon as his assistants.

Generally speaking, the political situation in the United States before the Five-Years War was as follows: On the one hand, owing to the influence of English ideas, which I have already mentioned, it was to be expected that a feeling of sympathy with the Entente would probably preponderate in the public mind; while on the other hand, owing to the general indifference that prevailed with regard to all that happened in Europe, and to the strong pacifist tendencies, no interference in the war was to be expected from America, unless unforeseen circumstances provoked it. At all events it was to be feared that the inflammability of the Americans' feelings would once again be under-estimated in Germany, as it had been already. It has never been properly understood in our country, despite the fact that the Manila and Venezuela affairs might have taught us a

lesson in this respect. The juxtaposition in the American people's character of Pacifism and an impulsive lust of war should have been known to us, if more sedulous attention had been paid in Germany to American conditions and characteristics. The American judges affairs in Europe, partly from the standpoint of his own private sentiment of justice, and partly under the guidance of merely emotional values; but not, as was generally supposed in Germany, simply from a cold and business-like point of view. If this had been reckoned with in Germany, the terrible effect upon public opinion in America of the invasion of Belgium and of the sinking of the *Lusitania*– particularly in view of the influence of English propaganda – would have been adequately valued from the start.

On May 17th, 1915, in a report addressed to the Imperial Chancellor, I wrote as follows:

"It is not a bit of good glossing over things. Our best plan, therefore, is frankly to acknowledge that our propaganda in this country has, as the result of the *Lusitania* incident, completely collapsed. To everyone who is familiar with the American character this could have been foreseen. I therefore beg leave to point out in time, that another event like the present one would certainly mean war with the United States. Side by side in the American character there lie two apparently completely contradictory traits. The cool, calculating man of business is not recognizable when he is deeply moved and excited – that is to say, when he is actuated by what is here called 'emotion.' At such

moments he can be compared only to an hysterical woman, to whom talking is of no avail. The only hope is to gain time while the attack passes over. At present it is impossible to foresee what will be the outcome of the *Lusitania* incident. I can only hope that we shall survive it without war. Be this as it may, however, we can only resume our propaganda when the storm has subsided."

Here I should like to intrude a few of my own views regarding the importance of public opinion in the United States.

In Europe, where people are constantly hearing about the truly extraordinary and far-reaching authority of the American President – the London *Times* once said that, after the overthrow of the Russian Czar, the President of the United States was the last remaining autocrat – it is difficult to form a correct estimate of the power of public opinion in the Union. In America, just as no mayor can with impunity ignore the public opinion of his city, and no governor the public opinion of his state, so the President of the Republic, despite his far-reaching authority, cannot for long run counter to the public opinion of his country. The fact has often been emphasized by Mr. Wilson himself, among others, that the American President must "keep his ear to the ground" – that is to say, must pay strict attention to public opinion and act in harmony with it. For the American statesman, whose highest ambition consists either in being re-elected, or at least in seeing his party returned to power, any other course would amount to political suicide; for any attempt at swimming against the tide will certainly be avenged at the next elections.

It must be remembered that public opinion in the United States is seldom so homogeneous and unanimous a thing as, for example, in England. Particularly in questions of foreign politics, public opinion in the Union, stretching, as it does, over a whole continent, reacts in widely varying ways in different localities, and to a very different degree. Thus, in the States bordering on the Atlantic coast, which are more closely in touch with the Old World, there is, as a rule, a very definite public opinion on European questions, while the West remains more or less indifferent. On the other hand, in the Gulf States a very lively interest is taken by the public in the Mexican problem, and the Pacific States are closely concerned with the Japanese question, matters which arouse hardly more than academic interest in other localities. This is also reflected in the American Daily Press, which does not produce papers exerting equal influence over the whole nation, but rather, in accordance with the customary geographical division of the Union into seven economic spheres of interest – namely, New York, New England, Middle Atlantic States, Southern States, Middle West, Western and Pacific States, comprises seven different daily presses, each of which gives first place to quite a different problem from the rest. It is true that the New York Press is certainly the most important mirror of American public opinion on European questions. Nevertheless, this importance should not lead to the erroneous assumption that the American Press and the New York Press are synonymous terms. The perusal of the latter does not suffice for

the formation of a reliable judgment of American public opinion, with regard to certain questions which concern the whole nation; rather it is necessary also to study the leading papers of New England, the Middle Atlantic States, and particularly the West. The reports of German and English correspondents on feeling in America, which, as so often happens, are based purely on the New York Press, frequently play one false, if one relies on them for an estimate of the public opinion of the whole nation. The "Associated Press," therefore, makes it a rule with all questions of national importance, not only to reproduce extracts from the New York Press, but also to publish précis of the opinions of at least fifty leading journals from all parts of the Union.

The American daily papers are more important as a medium for influencing public opinion than as a mirror for reflecting it. The United States is the land of propaganda *par excellence!* Every important enterprise, of no matter what nature, has its Press agent; the greatest of all is the propaganda lasting for months, which is carried on before the biennial elections, and of the magnitude of which it is difficult for the average European to gain any conception. It is therefore not surprising that the political leaders of the country make very wide use of the Press in important questions of foreign politics, to influence public opinion in favor of the Government policy. Not only the great news agencies, but also all leading newspapers of the Union maintain their permanent special correspondents in Washington, and these are received almost daily by the Secretary of State,

and as a rule once a week by the President. The information that they receive at these interviews they communicate to their papers in the greatest detail, without naming the high officials from whom it has emanated, and in this way they naturally act as megaphones through which the views of the Government are spread throughout the whole country. In foreign questions it was often striking how newspapers would hold back their comments until they had received in this way a *mot d'ordre* from Washington.

Of course this possibility for the Government to create opinion on concrete questions only applies so long as a firm public opinion has not already set in. As soon as the process of "crystallization," as it is called, is complete, there is nothing left for the Government but to follow the preponderating public opinion. Even a man like Mr. Wilson, who possesses an unusually high degree of self-will, has always followed public opinion, for the correct interpretation of which – apart from his own proverbial instinct – he commands the services of his secretary, Mr. Tumulty, and a large staff, as well as the organization of the Democratic party, which spreads through the length and breadth of the country. If, in a few exceptional cases, the President has set himself in opposition to public opinion, we might be sure that it would not be long before he again set his course on theirs.

CHAPTER II
THE GERMAN PROPAGANDA IN THE UNITED STATES

When I received the news of the murder of Archduke Francis Ferdinand, I was dining with the Spanish Ambassador at the Metropolitan Club in Washington. Signor Riano and I were not for a moment in doubt as to the very serious, peace-menacing character of the incident, but we found little interest in the matter among the Americans in the club, who, as always, regarded European affairs with indifference. As to the results of the murder, I received in Washington no information, either officially or through the Press.

I therefore, on the 7th July, began my usual summer leave, which had been granted a few weeks before. For the last time I crossed the ocean on one of the proud German liners, and, indeed, on the finest of our whole merchant fleet, the *Vaterland*. For the last time I saw, on my arrival, the port of Hamburg and the lower Elbe in all their glory. Germans who live at home can hardly imagine with what love and what pride we foreign ambassadors and exiled Germans regarded the German shipping-lines.

A few days after I had arrived in my home at Starnberg there began strong public excitement and uneasiness over the

political situation. However, of late years so many crises had been successfully averted at the eleventh hour, that this time, too, I hoped up to the last minute that a change for the better would set in. It seemed as though the responsibility for a war was too great to be borne by anyone man – whoever he might be – who would have to make the final decision.

On the wonderful, still summer evening of the 1st August, we heard across the Starnberger Lake, in all the surrounding villages, the muffled beat of drums announcing mobilization. The dark forebodings with which the sound of the drums filled me have fixed that hour indelibly in my memory.

The following day was devoted to preparations for the journey to Berlin, where I had to receive instructions before returning with all possible speed to Washington. The journey from Munich to Berlin, which could only be made in military trains, occupied forty-eight hours.

In the Wilhelmstrasse I had interviews with the authorities, the substance of which was instructions to enlighten the Government and people of the United States on the German standpoint. In doing so I was to avoid any appearance of aggression towards England, because an understanding with Great Britain had to be concluded as soon as possible. The Berlin view on the question of guilt was even then very much the same as has been set down in the memorandum of the commission of four of the 27th May, 1919, at Versailles, namely, that Russia was the originator of the war.

Further, I was informed at the Foreign Office, that in addition to some other additions to the staff of the Washington Embassy, the former Secretary of State of the Colonial Office, Dr. Dernburg, and Privy Councillor Albert, of the Ministry of the Interior, were to accompany me; the former as representative of the German Red Cross, the latter as agent of the "Central Purchasing Company." Dr. Dernburg's chief task, however, was to raise a loan in the United States, the proceeds of which were to pay for Herr Albert's purchases for the aforesaid company. For this purpose the Imperial Treasury supplied us with Treasury notes, which could only be made negotiable by my signature. This gave rise later to the legend that Dr. Dernburg was armed with millions for propaganda purposes.

Our journey was wearisome but passed off without incident. In forty-eight hours we reached Rotterdam, where we boarded the Dutch steamer *Noordam*. As we went aboard we were all in high spirits, for we had seen everywhere in Germany a wonderful, self-sacrificing and noble enthusiasm. On the steamer, however, which incidentally was badly overloaded, the picture changed. We suddenly found ourselves surrounded by hostile feeling, and among our fellow-passengers there were only a few friendly to the German cause. The bitter daily struggle toward which we were travelling was to begin on the ship. We plunged straight into it, and tried as far as possible to influence our fellow passengers.

At Dover the ship was inspected by a British officer; the inspection, however, passed off without any inconvenience to us,

as in those first days of the war the regulations of international law were still to some extent respected. We had already made all preparations to throw the Treasury notes overboard, in case we were searched. As a curiosity I mention a comic interlude that occurred after we had left Dover Harbor. A friendly German-American from a Western State, who did not know who I was, but had recognized me as a German, accosted me with the remark: "Take care that you don't expose yourself to annoyance; the people on board think you are the German Ambassador in Washington." The excellent man was overcome with amazement when I admitted my identity. We had not had our names entered on the passengers' list, but apart from this made no secret of our journey, as it was already known in Rotterdam.

After an eleven days' voyage, we landed in New York on the 23rd August. Our arrival was a relief, as during the journey we had been overwhelmed exclusively with enemy wireless reports of French victories. Every day we had received news of the annihilation of a fresh German Army Corps. In comparison with this mental torture, the cross-fire of questions from countless American Pressmen, not altogether friendly towards Germany, was comparatively easy to bear.

As is known, American public opinion at that time had been given a one-sided view of the causes and course of the war, for England, who, immediately after the declaration of war, had cut our Transatlantic cable, held the whole of the Transatlantic news apparatus in her hands. Apart from this, however, our enemies

found from the beginning very important Allies in a number of leading American newspapers, which, in their daily issue of from three to six editions, did all they could to spread anti-German feeling. In New York the bitterest attacks on Germany were made by the *Herald* and the *Evening Telegram*, which were in close touch with France, as well as the *Tribune* and *Times*, which followed in England's wake; somewhat more moderate were the *Sun* and the *Globe*; the only neutrals were the *Evening Post* and the *American*. Outside New York the Press raged against us, particularly in New England and the Middle-Atlantic States. In the South and West we were also baited by the Press, but with considerably less intensity. The only papers which could be called neutral were those of the Hearst Press, which took up an outspoken National-American standpoint, and, in addition, the *Chicago Tribune*, the *Washington Post*, and a few minor newspapers. It was already very significant that papers like the *Boston Transcript*, the *Brooklyn Eagle*, the *Baltimore Sun*, and a few others opened their letter-boxes to anti-German articles, which, it is true, they condemned with fair regularity in their leading articles or editorial notes. Against this campaign, fed systematically and daily with British propaganda information – especially on the subject of German atrocities in Belgium – the small number of papers in the German language, which, moreover, were little heeded by public opinion, and at the head of which stood the old *New Yorker Staatszeitung* and the courageous weekly *Fatherland*, founded shortly after the outbreak of war

by the young German-American, G. S. Vierick, could make but little headway.

On my arrival in New York, and during the next few weeks, I made an honest effort by daily interviews of the representatives of the leading daily newspapers to explain the German standpoint to the American public. I soon noticed, however, that these efforts were not only practically fruitless but that they were even fraught with certain dangers for me. The daily struggle with the Press was threatening to undermine my official position and to compromise my relations with the Washington Government so seriously that I should not have been in a position to carry through with success the diplomatic negotiations which were likely to be called for. I therefore considered it as my duty to the German people to give up, as far as I personally was concerned, all propaganda in favor of the German cause. Certainly I have had a good deal further to do with American journalists until the final rupture; but I categorically refused to grant interviews or to receive newspaper correspondents who were not prepared to treat my statements purely as confidential, private information.

I should like to take this opportunity to remark that the American journalist is far better than the reputation he enjoys in Europe. In spite of the hostile atmosphere which surrounded me in America I have never had to complain of an indiscretion. True, many minor New York reporters whom I did not receive invented statements which I had never made; but such experiences are common to all politicians in America. Moreover, the results

of these journalistic tricks were almost always local and were easily contradicted. In Washington such things never occurred. The journalists there were quite extraordinarily capable and trustworthy men, who always behaved like "gentlemen." My relations with them remained very friendly to the last. In so far as I was not forced to keep silence for political reasons I have always told them the real truth. Of course, I was as little capable as the American journalists of foreseeing that the policy I was representing was doomed to ultimate failure.

Just at the time when I gave up personal propaganda in order to devote myself to my political and diplomatic activities in Washington, the financial mission of Secretary of State Dr. Dernburg had failed. President Wilson had stated clearly that it would be an unneutral act for loans to be raised in the Union by the combatant States. Our friends in high financial circles in New York regarded this decision as favorable to Germany, for they foresaw – what actually happened – that for every million received by us, our enemies would raise a hundred millions. As a result of this decision of the President, Privy Councillor Albert had to finance his purchases as far as possible privately, while Dr. Dernburg, whose time was not fully occupied by his duties as delegate of the Red Cross, which had meanwhile been organized by Geheim Oberregierungrat Meyer Gerhardt and Rittmeister Hecker, would have left America if there had remained any possibility of doing so. There was not, however, as the English inspected all neutral ships shortly after they left the American

ports and – in flagrant contravention of international law, which only allows the arrest of persons who are already enrolled in the fighting forces – summarily arrested and interned every German capable of bearing arms. As Dr. Dernburg was thus an unwilling prisoner in New York he began to write articles on the world-war for the daily Press. He had a gift for explaining the causes of the war in a quiet, interesting manner, and particularly for setting out the German standpoint in a conciliatory form. His propaganda work therefore met with extraordinary success. The editors of newspapers and periodicals pressed him to contribute to their columns, and the whole New York Press readily printed all the articles he sent in to contradict the statements of the anti-Germans.

Out of this activity developed, in co-operation with the Foreign Office, Dr. Dernburg's New York Press Bureau, a solution of the propaganda question which was exceedingly welcome to me. As a private person Dr. Dernburg could say and write much that could not be said officially and therefore could not come from me. Consequently I took it for granted that – in spite of certain suggestions to the contrary – Dr. Dernburg would not be attached to the Embassy, which would only hamper his work, and also that the Press Bureau would retain its independent and unofficial character. I may take it as a well-known fact that Washington is the political, and New York the economic, capital of the United States, which has always resulted in a certain geographical division of the corresponding diplomatic

duties. It naturally had its disadvantages that there should be, apart from the Consulate-General, four other independent German establishments in New York, namely, the offices of Dr. Dernburg, Privy Councillor Albert, the military attaché Captain von Papen and the naval attaché Commander Boy-Ed. In order to keep, to some extent, in touch with these gentlemen, I occasionally travelled to New York and interviewed them together in the Ritz-Carlton Hotel, where I usually stayed and in which Dr. Dernburg lived; for their offices, scattered as they were over the lower town, and which, moreover, I never entered, were unsuitable for the purpose. Our mutual personal relations were always of the best. On the other hand, it was naturally difficult to make any headway with our official business, since each received independent instructions from Berlin. This was least the case with Dr. Dernburg, because his responsible authority as far as propaganda was concerned was partly the Foreign Office itself and partly the semi-official "Central Office for Foreign Service." The other three gentlemen, however, were all responsible to home departments other than mine. Captain von Papen and Commander Boy-Ed frequently held back from me the instructions they had received from Berlin in order not to embarrass the Embassy by passing on military or naval information. Financially, too, the four officials were completely independent and had their own banking accounts, for which they had to account individually to their respective departments at home. Only Privy Councillor Albert had, for the purchase

on a large scale of raw material, definite funds which were in any event under my control. Concerning the activities of these four gentlemen, countless legends have been spread in America and in part have found their way to Germany. In spite of all the reproaches levelled against them, and indirectly against myself, with regard to propaganda – I shall speak of the so-called conspiracies in Chapter V. – nothing has reached my ears of which these gentlemen need in any way be ashamed. Individual mistakes we have, of course, all made; in view of the ferocity and protraction of the struggle they were inevitable. But in general the German propaganda in America in no way deserves the abuse with which it has been covered, in part, too, at home. If it had really been so clumsy or ineffective as the enemy Press afterwards claimed, the Entente and their American partisans would not have set in motion such gigantic machinery to combat it. One need only read G. Lechartier's book, "Intrigues et Diplomaties à Washington," to see what importance was attached to our propaganda by the enemy. In spite of all the bitterness which the author infuses into his fictitious narration, admiration for the German activity in the United States shines through the whole book. Further, at the end of 1918 a Commission of the Senate appointed to investigate German propaganda, as a result of the publication of protocols on this subject, repeatedly stated that its work had in no way been in vain, but rather its after effects had made themselves strongly felt "like poison gas" long after America's entry into the war. One may well venture to say that,

had it not been for the serious crisis caused by the submarine war, it would probably in time have succeeded in completely neutralizing the anti-German campaign.

As regards our justification for openly championing the German cause before the people of the United States by written and spoken word, this is self-evident in a country which recognizes the principles of freedom of the Press and free speech. Apart from this, however, the American Government have themselves provided a precedent in this connection during the civil war, when President Lincoln in 1863 sent to England the famous preacher, Henry Ward Beecher, whose sympathies were strongly on the side of the Federals. Through his speeches, afterwards published as "Patriotic Addresses," he did much towards swaying public opinion in favor of the Northern States. In this war, too, America, after abandoning her neutrality, has carried out vigorous propaganda in neutral countries, as is shown by the mission of the well-known New York supporter of woman suffrage, Mrs. Norman Whitehouse, under the auspices of the official Press Bureau and with the special approval of Secretary of State Lansing. Moreover our justification has been expressly upheld by a statement of Commissioner Bruce Bielaski of the American Law Department, who appeared as chief witness against us before the above mentioned Commission of Inquiry. He declared that there was no law in the United States which, before her entry into the war, rendered illegal German or any other foreign propaganda. Why all this noise

then? – it is reasonable to ask. Why, then, has the suggestion persisted at home and abroad, almost from the appearance of Dr. Dernburg until the present day, that we had, with our propaganda campaign, made ourselves guilty of treachery to the United States?

From the moral point of view, too, no exception can be taken to the German propaganda. The United States was neutral and wished to remain so. The German propaganda was working for the same end. I have never heard of a single case of bribery by our representatives. If money was spent on our side, it was purely for the purpose of spreading articles and pamphlets pleading United States neutrality. Applications were frequently made to us by writers and editors who from inner conviction were ready to write and circulate articles of this kind, but were not financially in a position to do so. The leaders of German propaganda would surely have been neglectful of their duty if in such cases they had not provided the necessary funds. All Governments in the world have always proceeded in a similar way, and in particular that of the United States since their entry into the war, as is shown by the case of the *Freie Zeitung* of Bern – therefore equally in a neutral country. These facts must throw a strange light on the inquiry of the American Senate into German propaganda, delayed as it was until last winter and carried through with such elaborate machinery. It is obvious that beneath it all there lay – what irony! – a purely propagandist purpose, namely, that of humiliating Germany in the person of her late official

representative accredited to the United States, and to make her appear contemptible in the eyes of the uncritical public!

Whereas in the first months of the war no one in America had thought of connecting "German Propaganda" with anything shocking, our opponents afterwards succeeded in disseminating the idea that a few offences against the law committed by Imperial and American Germans represented an important, even the most important, part of the German propaganda work. So it was brought about that even in the time before America's entry into the war, everyone who openly stood up for Germany's cause was stamped by the expression "German Propagandist" as a person of doubtful integrity. The gradual official perpetuation of this admittedly misleading identification of our absolutely unexceptionable propaganda with a few regrettable offences against the American penal code – this and no other was the object of that inquiry by the Senate. The prejudicial headlines under which the published articles were printed, such as "Brewery and Brandy Interests" and "German-Bolshevist Propaganda," themselves sufficed to indicate that our propaganda was to be crucified between two "malefactors"; for to the average American citizen there is nothing more horrifying than the distillery on the one hand and Bolshevism on the other. In this connection I must not omit to mention that the great majority of the documents laid before the Commission had been secured by means of bribery or theft. It is also worth while to remind the reader of the significant words of Senator Reed,

a member of the Commission, who said at one point in the examination: "I am interested in trying to distil some truth from a mass of statements which are so manifestly unfair and distorted that it is hard to characterize them in parliamentary language."

As for the fantastic figures with which the Americans have undertaken to estimate the cost of our propaganda, they rest – in so far as they are not simply the fruit of a malicious imagination – on the, to say the least of it, superficial hypothesis that all the money paid out by the different German offices from the outbreak of war until the breaking off of diplomatic relations between Germany and America, the amount of which has been arrived at on the strength of a minute scrutiny of the books of all the banks with which these offices have done business, were used for purposes of propaganda. As a matter of fact, of course, far the greater part of this outlay went to finance the very extensive purchases of Privy Councillor Albert as well as certain business transactions concluded by Captain von Papen, which will be discussed later. In comparison with this the sum we devoted to propaganda work was quite small. The Press Bureau was frequently very appreciably hampered by the fact that even for quite minor expenditure outside the fixed budget, previous sanction had to be obtained from Berlin. Consequently much useful work would have had to remain undone if, particularly in the first months of the war, self-sacrificing German-Americans to whom it was only of the slightest interest that the German point of view should be accurately and emphatically explained,

had not placed small sums at the disposal of the leaders of our propaganda. In the two and a half years between the outbreak of war and the rupture between Germany and America the sums paid out from official funds for propaganda work in the Union – including minor contributions for other countries, as, for example, the pictures distributed from New York over South America and Eastern Asia – do not, all told, exceed a million dollars. That is surely only a small fraction of what England and France have expended during the war in order, in spite of very thorough preparation in peace time, to win over American public opinion to their cause. It is actually only a sixth of what, according to the *Chicago Tribune* on the 1st November, 1919, the official American Press Bureau of Mr. George Creel has spent in order to "cement enthusiasm for the war" during the eighteen months between America's entry into the war and the conclusion of the Armistice. The thirty-five to fifty million dollars which, according to the statements of our enemies, were swallowed up by German propaganda in the United States belong, therefore, to the realms of fable.

In this connection I must mention yet another, far more malicious legend, namely, the slander widely spread in America last year, that the funds collected in America for the German Red Cross were used to finance German propaganda. It is a fact that every dollar that went to the German Red Cross Delegation in New York was remitted to the home organization for which it was intended. Of course these funds were in the first place

paid into the various New York banking accounts from which Dr. Dernburg drew the funds for the Press Bureau. But, as Captain Hecker has most definitely stated, their equivalent was remitted to Germany through the bank, regardless of the changes in the exchange.

Dr. Dernburg, in organizing the Press Bureau, availed himself of the assistance he found in New York. The suggestion, widely current in America and repeated by a member of the American Secret Service before the Senatorial inquiry, that this Press Bureau had formed, as it were, a part of the German mobilization, and that, therefore, the most skilled propaganda experts from Europe and the Far East had been gathered together in New York in order that, after a preliminary run there, they might be let loose on the American world, is a ridiculous invention. Just as Dr. Dernburg himself became a propagandist without any premeditation, so it was also the case with his colleagues. At first his only assistants were the New York Press Agent of the Hamburg-Amerika line, Herr M. B. Claussen, and after the entry of Japan into the war a Government official from that country who was unable to continue his journey to Germany, because the passport across the Atlantic granted him through the instrumentality of the State Department was rejected by the British authorities. This official, Dr. Alexander Fuehr, the interpreter of the Consulate-General in Yokohama, who had great experience in Press matters and possessed an intimate knowledge of American affairs, assisted by quite a

small staff of assistants engaged in New York, issued the daily bulletins of the "German Information Service," which appeared for a year and consisted of translations of the substance of the German newspapers, comments on daily events and occasional interviews with people who had returned from Europe. It was Herr Claussens's duty to circulate the bulletins, the arrival of which was in no way kept secret, among the American Press, and to see to it that they should be reproduced as fully as possible, which was done, especially in the provincial Press.

Later, when the propaganda movement had developed to the extent of publishing and circulating leaflets, brochures and longer pamphlets, Dr. Dernburg decided to employ in the Press Bureau a well-known American publicist in the person of Mr. William Bayard Hale, who had already done good work, by speaking and writing, towards an unbiassed appreciation of the German point of view, and he was assisted by two younger New York journalists. Later, when the bureau took up war-picture and war-film propaganda, these were joined by two more young German Government officials, Dr. Mechlenburg and Herr Plage, who also were held up in America on their way from Japan. More than a dozen persons, including messengers, have never been employed by the Press Bureau at a time. Of the thirty-one trained propagandists imported from Germany who, according to Captain Lester's evidence before the Senatorial Commission, were supposed to have worked in the Press Bureau, in so far as their names were given in the protocols of the inquiry, we are

assured by Herr Fuehr that not one was employed there!

In addition to his direction of the Press Bureau Dr. Dernburg, who continued with inexhaustible energy to write articles for the periodicals and instructive letters for the daily Press, was responsible for keeping in touch with the directors of the American Press. He also availed himself of invitations to speak in American and German circles, and sometimes in other places than New York. As far as I know he never founded any societies for propaganda purposes. On the other hand, when such societies which had arisen, without his influence turned to him, he of course supported them by word and deed.

For all questions of propaganda Dr. Dernburg had the assistance of a small committee nominated by himself and consisting, in addition to Herren Albert, Meyer Gerhardt and Fuehr, of a few American journalists and business men. It was his custom to confer with this committee once or twice a month, when the general situation, the prevailing fluctuations of public opinion and the probable influence of the propaganda material about to be published, were discussed in detail.

With this entirely improvised and, as will be seen, very modest machinery, Dr. Dernburg began his campaign. The enemy statement that the German propaganda in the United States had been actually organized many years before the war, so that in 1914 we might have ready at our disposal an organization with branches in every part of the country, is unfortunately devoid of any foundation. It is a regrettable fact that, in spite

of my repeated warnings to the authorities, nothing was ever done on the German side before the war. It is well known that at that time the power of public opinion in democratic countries was very little understood in Germany. It was thought at home – which is typical of the objective, matter-of-fact German national character – that it was much more important that the right should be done than that it should be recognized as right by the public. Added to this was the under-estimation of the influence of the United States on the development of world politics.

Before the war no one in Germany had thought it possible that the Union would have to be reckoned with as a factor, much less a decisive factor, in a European war. This was a mistake, the effect of which unfortunately was felt until well into 1917 – the result was that there was never enough money available to keep in touch and co-operate with the American Press. As a matter of fact I had, in the course of my activities in Washington, personally entered into certain social relations with the proprietors of a few great American newspapers. But from Berlin no advances were made. Even with the German-American papers there was no organized connection, and they themselves did not work together in any way. It is true that for years there had been a business connection between the greatest American news-agency, the Associated Press, and the Wolff Telegraphic Bureau; as, however, the agency was not served direct with Berlin Wolff-telegrams, but by its own representatives there, this did not amount to much. England, on the other hand – quite apart

from the close relationship resulting from a common language – had for years maintained and systematically cultivated the closest contact with the American Press. It followed, then, that on the outbreak of war the English influence on the American daily Press was enormous. It did not rest as exclusively as has been assumed in Germany on direct proprietary rights. I do not think that, with the exception of a single newspaper in one of the smaller cities any great American paper was directly bought by England. Here and there considerable blocks of American newspaper shares may have been in English hands and influenced the tendency of certain papers. If, however, it is true – as was credibly stated in Irish-American quarters during the first year of the war – that Lord Northcliffe boasted a year or two before the war of "controlling" seventeen American papers, it is difficult to believe that this influence of the English press-magnates was based on hard cash. Rather is it the case that certain newspapers received their otherwise very costly private news-service from England on very advantageous terms. To others, English writers of leading articles are said to have been attached, without cost to the newspaper – a scheme of which I have often heard in America, but which is difficult to prove, as all American newspapers maintain the strictest secrecy as to the origin of their leading articles. It is, however, common knowledge that with regard to European affairs the American news service was swayed by this entirely English organization. Until the outbreak of the war the American news agencies drew

exclusively from English sources. Moreover, those newspapers which in the United States play a very important part, inasmuch as they are the fount of most of the new ideas by which the tone of the Press in influenced, were in a very considerable degree served from England. On the other hand, the wide field of cinematographic production was strongly influenced by the French film. In this way our enemies in the United States had, at the outbreak of war, a boundless and excellently prepared field for the propagation of their news, and the representation of their point of view, but more particularly for their attack on the German cause. In spite of this, however, they immediately inundated the Union with propagandist literature, particularly through the agents of the English shipping lines, who were scattered all over the country, and the well-known author and politician, Sir Gilbert Parker, sent from London tons of this matter to well-known American business men, professors and politicians.

On our side, it is true, and I should like to emphasize this to their credit, that on the outbreak of war the German-American newspapers took up our cause unhesitatingly and as one man. Further, they have, until America's entry into the war, honestly striven to win full justice for the American point of view, and to combat the unneutral leanings of the majority of the Americans and the slanderous attacks of our enemies. As, however, they are not accessible to the general public, who do not know German, and in particular scarcely ever come into the hands of the

authoritative American political circles, their support remained more or less academic. Very valuable services were rendered to the German cause by the already-mentioned weekly paper *Fatherland*, which was printed in English; in view, however, of its reputation as a partisan journal, it naturally could not exert so deep an influence as the local daily papers, which carried on the English propaganda without allowing it to become too conspicuous. For telegraphic communication from Germany to America we had to rely solely on the two German wireless stations at Sayville and Tuckerton, erected shortly before the outbreak of war, and we soon succeeded, subject to American censorship, in getting a regular Press-service, which was spread, not only over the whole of the United States, but was also passed on to South America and East Asia. But in the first place, in spite of repeated extension and strengthening, these two stations were quite inadequate; in the second place, the Press-service never succeeded in adapting itself thoroughly to American requirements. The same may be said of most of the German propaganda literature which reached America in fairly large quantities since the third month of the war, partly in German and partly in not always irreproachable English. This, like the Press telegrams, showed a complete lack of understanding of American national psychology. The American character, I should like to repeat here, is by no means so dry and calculating as the German picture of an American business man usually represents. The outstanding characteristic of the average American is rather

a great, even though superficial, sentimentality. There is no news for which a way cannot be guaranteed through the whole country, if clothed in a sentimental form. Our enemies have exploited this circumstance with the greatest refinement in the case of the German invasion of "poor little Belgium," the shooting of the "heroic nurse," Edith Cavell, and other incidents. Those who had charge of the Berlin propaganda, on the other hand, made very little of such occurrences on the enemy side, e.g., the violation of Greece, the bombing of the Corpus Christi procession in Karlsruhe, etc. One thing that would have exerted a tremendous influence in America, if its publicity had been handled with only average skill, was the sufferings of our children, women and old people as a result of the British hunger blockade – that they have made no attempt to bring to the notice of the world.

On the other hand they put themselves to the greatest possible trouble to lay "The Truth About the War" before American public opinion. This, however, fell on unfavorable ground, for the American does not care to be instructed. He had no interest in learning the "truth" which the German Press communications and explanatory pamphlets were so anxious to impress upon him. The American likes to form his own opinions and so only requires facts. The possibility of exerting influence therefore lies rather in the choice of the facts and the way in which they are presented, than in logical and convincing argument. It is all the easier to influence him by the well-timed transmission of skilfully disposed facts, since his usually very limited general knowledge

and his complete ignorance of European affairs deprive him of the simplest premises for a critical judgment of the facts presented to him from the enemy side. It is quite incredible what the American public will swallow in the way of lies if they are only repeated often enough and properly served up. It all turns on which side gets the news in first; for the first impression sticks. Corrections are generally vain, especially as they appear as a rule in small print and in inconspicuous places. When, for example, the American Press got the first news of the "destruction" of Rheims cathedral from London and in the English version, no German correction, however well-founded, would succeed in removing the first impression.

Particularly ineffective in their influence on American public opinion – as may be said here in anticipation – have been the majority of our official Notes. In view of the subsequent ever-increasing interruption of the news service from Germany, they were the last and only means by which the German standpoint could be brought before the American people. Their effectiveness depended entirely on the impression that they made on American public opinion and not on the Washington Government; yet they were nearly always drawn up in Berlin in the form of juristic précis, propagandist but quite futile.

All these factors must be taken into consideration in attempting to estimate the success of our propaganda in the United States. They show that on the one hand the prevailing conditions of American public opinion were extraordinarily

unfavorable to our propaganda, and that the support it received from home, with a few exceptions, was misguided.

Dr. Dernburg, then, had not a chance during the eight months of his activity in America of transforming her into a pro-German country, and it is certain that no one else could have done it in his place. But he succeeded to a great extent, and within a comparatively short time, in more or less crippling the enemy propaganda, and at least in gradually rendering ineffective the grossest misrepresentations of our enemies. By his own writings and other methods of spreading the truth, and particularly by the numerous brochures and books, which at his suggestion were written by American supporters of the German cause and distributed in thousands directly or indirectly by the Press Bureau with the help of a skilfully compiled address-book, he succeeded in exerting very considerable influence. By keeping in touch with American journalists and other influential persons he did much good work, particularly in the first months of the war. His connection with Irish leaders laid the foundation for a co-operation which in the following year was of great importance to our position in the United States, and which, with a somewhat more intelligent backing by our Government departments at home, might have been more fruitful still.

One branch of our propaganda which was also initiated under Dr. Dernburg, but was chiefly developed after his departure, was the moving-picture propaganda, for which a very efficient company was floated by Privy Councillor Albert. At

first it was intended to be an agency for the circulation of films from Germany. As, however, suitable material for the American market could not be obtained there, the "American Correspondent Film Co." decided to send its own agents to Germany and Austria with a view to making suitable films for their purpose. In this way several important film-dramas were produced which have had great success in hundreds of American cinemas. In spite of this the company had finally to be liquidated, chiefly owing to lack of support from the military authorities at home.

With the sinking of the *Lusitania* our propaganda of enlightenment in the United States substantially came to an end. Henceforward the principal aim of its activity, which, after Dr. Dernburg's departure, came under the direction of Privy Councillor Albert, was to keep the United States out of the war. Side by side with this, an attempt was made to influence public feeling against the export of arms and ammunition and against the Anglo-French loan, and to demonstrate the increasingly prejudiced effect wrought by England on American economic interests. In November, 1915, I urged, as I cabled at the time to Chancellor Bethmann-Hollweg, the complete suppression of propaganda. The Press Bureau in New York continued under the direction of Dr. Fuehr, until the breaking off of relations between America and Germany. It concerned itself, however, apart from certain regular literary contributions to certain journals, less with propaganda work than with keeping an eye on the American

Press and the development of the news service to and from Germany as well as to South America and Eastern Asia.

CHAPTER III
POLITICAL EVENTS PRECEDING THE "LUSITANIA" INCIDENT

As I mentioned in the first chapter, it was to be expected that public opinion in America would range itself overwhelmingly on the side of the Entente. As a result of the violation of Belgian neutrality, this happened far in excess of expectation. The violence of the statements of the anti-German party called forth strong replies from those who desired a strict neutrality on the part of the United States. The adherents of the latter party were always stigmatized as pro-Germans, although even the German-Americans never called for anything more than an unconditional neutrality. This also was the aim for which the German policy was working through its representatives in America. We never hoped for anything further.

The waves of excitement ran so high that even the private relations of the adherents of both parties contending suffered. President Wilson, therefore, on the 18th August, 1914, issued a proclamation to the American people which is of special interest because it lays down in a definite form the policy to which he logically and unwaveringly adhered until the rupture.

In this proclamation the following sentences occur: "Every man who really loves America will act and speak in the true spirit

of neutrality, which is the spirit of impartiality and fairness and friendliness to all concerned." And further: "The people of the United States … may be divided in camps of hostile opinion… Such divisions among us would be fatal to our peace of mind and might seriously stand in the way of the proper performance of our duty as the one great nation at peace, the one people holding itself ready to play a part of impartial mediation and speak the counsels of peace and accommodation, not as a partisan, but as a friend."

The policy outlined in these quotations from Mr. Wilson's proclamation won the approval of an overwhelming majority of the American people, for even among the supporters of the Entente there was only a small minority who desired an active participation in the war by the United States. Apart from the fact that the traditional American policy seemed to preclude any such intervention in European affairs, it was to the interest of the United States to play with unimpaired power the rôle of *Arbiter mundi*, when the States of ancient Europe, tired of tearing one another to pieces, at last longed for peace again. America could not but hope that neither of the two warring parties would come out of the war in a dominating position. There is, therefore, a certain modicum of truth in the view frequently expressed in Germany that the United States would in any case finally have entered the war to prevent the so-called "German Peace." But the question is whether such a peace was possible in face of the superior strength of our enemies. If we had won the first battle

of the Marne and had then been prepared to restore Belgium and conclude a moderate peace, it is conceivable that we might have come to terms with England on the basis of a kind of Treaty of Amiens. After the loss of the battle of the Marne a "German Peace" was out of the question. The possibility of such a peace has never recurred. It was therefore necessary for the German policy to strive for a peace by understanding on the basis of the *status quo*. Just as Frederick the Great defended Prussia's newly won position as a great Power against overwhelming odds, so we were fighting under similar conditions for the maintenance of Germany's position in the world.

Our Government had declared *urbi et orbi* that they were waging a defensive war, and were therefore obliged to regulate their policy accordingly. If we had desired a peace like that of Hubertusburg we should have won. It is often contended in Germany to-day that it would still have been possible to attain this end. I have struggled for it in America for two and a half years and am as convinced to-day as I was then, that by acquiescing in the policy of the United States we should have obtained a peace which would have met the needs of the German people, if only those who desired the same thing at home had been in a position to carry their wishes through.

In Germany it is also alleged, contrary to my own opinion, that the German people could not have held out if they had not been driven on by the "Will to conquer." I regard this view as an injustice to the German nation. If our home propaganda, instead

of continually awakening vain hopes, had insisted on telling the real truth, the German people would have faced danger to the last. We ought to have repeated constantly that our situation was very serious, but that we must clench our teeth, and our Government must be ready to seize the first opportunity to end the defensive war by a corresponding peace.

The controversy about the "German peace" or "peace by negotiation" must be touched on here because it formed the nucleus of the diplomatic struggle in Washington. At the beginning of the war these catchwords had not yet been invented, but their substance even then controlled the situation. The attitude of the American Government and public opinion towards us depended in the first place on whether they thought that we were striving for world-mastery or were waging a defensive war.

Immediately after my return from Europe I called on President Wilson, who had taken the opportunity of the war and the death of his first wife, to withdraw even more than ever from the outer world. He was generally known as the recluse of the White House. He only received people with whom he had political business to settle. Particularly from diplomats and other foreigners Mr. Wilson kept very aloof, because he was anxious to avoid the appearance of preference or partiality.

After the disillusionment of Versailles it is difficult for a German to form an unbiassed judgment of Mr. Wilson. We must not forget, however, that no serious attempt has ever been made in Germany to get an unprejudiced estimate of Mr.

Wilson's personality. In the course of the war he has come to be regarded more and more as unneutral and anti-German, whereas, to the average American public opinion, he appeared in quite a different light. Later, after the defeat of our arms, we hailed Mr. Wilson as the Messiah who was to save Germany and the whole world from dire distress. When, therefore, at Versailles, the President, instead of unfolding and carrying through a far-reaching programme for the general reconstruction of the world, approved all the ultra-chauvinistic and nationalistic mistakes of the European statesmen and proclaimed as the aim of the peace the punishment of Germany, Mr. Wilson was set down in Germany without more ado as a hypocrite.

I think that through all the phases of the war the German opinion of Mr. Wilson has suffered from sheer exaggeration. The chief mistake lay in separating Wilson's personality from public opinion in the United States. In spite of his strong will and his autocratic leanings, Mr. Wilson is still, in the first place, a perfect type of the American politician. In his speeches he always tries to voice public opinion, and in his policy to follow its wishes.

He certainly tries to direct and influence public opinion. But he changes his front at once if he notices that he has strayed from the way that the *aura popularis* would have him follow. In order to form a correct judgment of Mr. Wilson's actions and speeches it is always necessary to ask oneself, in the first place, what end he has in view for his own political position and that of his party in America. He proclaims in a most dazzling

way the ideals of the American people. But their realization always depends on his own actual political interests and those of the Democratic party. Mr. Wilson's attitude has always been synonymous with that of his party, because the latter can produce no other personality capable of competing with the President. Therefore, Mr. Wilson always met with little or no opposition within the Democratic party, and he was able to follow for a long time his own inclination to adopt a quite independent policy.

Socially the President is very congenial when once he has made up his mind to emerge from his narrow circle. He has not the reputation of being a loyal friend, and is accused of ingratitude by many of his former colleagues and enthusiastic adherents. In any case, however, Mr. Wilson is an implacable enemy when once he feels himself personally attacked or slighted. As a result of his sensitiveness he has a strong tendency to make the mistake of regarding political differences of opinion as personal antipathy. The President has never forgiven the German Government for having caused the failure of his peace-policy of 1916-17, which was supported by public opinion in America. In Germany his later speeches, in which he drew a distinction between the German people and the Imperial Government, were regarded as hypocrisy. Such a differentiation was at that time based on American public feeling, which held autocracy and militarism responsible for the disasters which had been brought upon the world. The question has, however, never been answered why this distinction was abandoned by Mr.

Wilson at Versailles. Without wishing in any way either to accuse or defend him I consider the answer to this riddle to be that the President allowed himself to be convinced of the complicity of the German people by the statesmen of the Entente. He was at the time in a mood with regard to us which predisposed him to such influences. Mr. Wilson was by origin, up-bringing and training a pacifist. When it is remembered that with us and in neutral countries it was the pacifists themselves who were the most indignant at the Peace of Versailles, that they were the very people who for the most part advised against the signature of this peace, one can imagine the feelings aroused in a disillusioned pacifist like Wilson by those whom he regards as responsible for having thwarted the possibility of an ideal pacifist peace.

Apart from this, Mr. Wilson at Versailles no longer dominated American public opinion, and his political power consequently collapsed. In the United States the old indifference to European affairs regained the upper hand. Men were satisfied with having brought about a victory over autocracy and militarism. They wanted nothing further. The American troops were crowding home, and, finally, feeling in the United States was still so strongly against us that no one would have understood the President if he had caused a rupture with his Allies on our behalf.

At Versailles, too, an outstanding peculiarity of Mr. Wilson's may have played a part which even during the earlier negotiations had been of great importance. He is a man who is slow to make up his mind, and likes to postpone decisions until they

are inevitable. He is always ready to wait and see whether the situation may not improve or some unexpected event occur. How often during the Washington negotiations did, first I and then our enemies, believe that we had set President Wilson on a definite course. But again and again the requisite decision would be postponed. In Washington it was generally taken under the strong pressure of public opinion. In Versailles the Entente statesmen may well have forced a decision by displaying a stronger will and a wider knowledge of European affairs. Mr. Wilson was at Versailles in the position of the giant Antæus, who drew his strength from his native soil. Once away from American ground Hercules (Clemenceau) was able to crush him.

At the time I am now describing the circumstances were quite different, because at that time Mr. Wilson had a reliable support for his policy in American public opinion. In Germany, at the very beginning of the war, great resentment was felt against Mr. Wilson for the cold negative in his reply to the Emperor's telegram in which Mr. Wilson was asked to condemn the atrocities perpetrated by the Belgian population and *francs-tireurs*. It was not, however, noticed in Germany that the President at the same time likewise refused to receive a Belgian deputation which came to America to beg for his help.

During my conversation with the President already mentioned, he made a statement on the lines of his proclamation of neutrality of which I have already given the substance. My reply that the American neutrality seemed to us to be

tinged with sympathy for our enemies Mr. Wilson contradicted emphatically. He thought that this appearance was the result of England's naval power, which he could do nothing to alter. In this connection the President made the following remark, which struck me very forcibly at the time:

"The United States must remain neutral, because otherwise the fact that her population is drawn from so many European countries would give rise to serious domestic difficulties."

My remark about the benevolence of the United States' neutrality towards our enemies was at the time chiefly prompted by the differences that had arisen with regard to the wireless stations.

The fact that this question arose gives yet another proof of how little we were prepared for war. By German enterprise two wireless stations had been erected on the east coast of the United States as a means of direct communication with Europe, one at Sayville (Long Island), the other at Tuckerton (New Jersey). Both were partly financed by American and French capital. As at the beginning of the war the cable fell entirely into English hands and was destroyed by them, we had no telegraphic communication with home at our disposal. We had to fall back exclusively on the wireless stations, when, as frequently happened, we were unable to make use of the circuitous routes via neutral countries. Unfortunately it appeared that the legal position with regard to the proprietorship of the two stations was not clear. Actions were immediately brought on the French

side, and the closing of the stations by decree of the courts demanded. Under these circumstances it was fortunate for us that the American Government, after tedious negotiations with me, took over possession of both stations. Otherwise they would have been closed and we should have been unable to use them.

Our satisfaction at this decision was modified by the establishment of a censorship of radio-telegrams on the part of the American Government on the strength of the Hague Convention, which prohibits the communication by wireless from a neutral country with the military or naval forces of a combatant. If the stations had been publicly used before the war we should have stood on firm legal ground, for such cases are excepted by the Hague Convention. Unfortunately the stations were in 1914 only partially completed, and the application of the clauses in question was therefore doubtful. It is true that the stations were ready for immediate use, but as a result of the French protest the American Government held strictly to the legal standpoint. In these negotiations we had to content ourselves with pointing out that whereas our enemies could pass on military information to their Governments by means of coded cablegrams, we should be confined to the use of the wireless stations. Finally we came to an agreement with the American Government that they should have a copy of the code which we used for the wireless telegrams. In this way their contents were kept secret from the enemy, but not from the Washington Government. This course we only agreed to as a last resource as it

was not suitable for handling negotiations in which the American Government was concerned.

The course of this controversy was typical of the fate of German interests in America throughout the whole period of American neutrality. Unfortunately we had absolutely no means at hand for putting any pressure on America in our own favor. In comparison with the public opinion in the Eastern States, which followed in the wake of the Entente, and with the authoritative circles of New York, Wilson's Administration without question strove for an honorable neutrality. In spite of this most of their decisions were materially unfavorable to us, so that a German observer from a distance might, not without reason, obtain the impression that the neutrality of the American Government was mere hypocrisy and that all kinds of pretexts were found for helping England.

This was not the chief impression made on a near observer. In politics the Americans are first and foremost jurists, and indeed in a narrower and more literal sense than the English Imperialists, with whom, according to their old traditions, justice only serves as a cloak for their political ambitions. I cannot judge how far the Americans have become full-blooded Imperialists since their entry into the war, i.e., since about 1917. At the time of which I speak this was far from being the case. If, moreover, it is a fact that the majority of the decisions of the United States turned out unfavorably to us, the question of the American motives should have been carefully differentiated from the other question as to

what inferences may be drawn from the state of affairs. Even if we had had just reason to complain of unfair treatment it was for us to be as indulgent towards America as was compatible with our final aim not to lose the war. The question is not whether we had cause for resentment and retaliation, but simply what benefit could be extracted for Germany out of the existing situation.

At this visit to the White House, the only question that was acute was that of the wireless stations. This and the negotiations which I shall mention later, dealing with the coaling of our ships of war and the American export of arms and ammunition, I discussed with Secretary of State Bryan. The first time I visited this gentleman he exclaimed with great warmth: "Now you see I was right when I kept repeating that preparation for war was the best way of bringing war about. All the European Powers were armed to the teeth and always maintained that this heavy armament was necessary to protect them from war. Now the fallacy is obvious. We alone live in peace because we are unarmed."

Mr. Bryan has always been a genuine pacifist, and later sacrificed his Ministerial appointment to his convictions. So long as he remained in office he continued to influence the American Government to maintain neutrality and constantly strove to bring about peace.

A first attempt in this direction was made from Washington immediately after the outbreak of the war, but met with no response from the combatant Powers. At the beginning

of September, Mr. Bryan repeated the offer of American mediation.

At that time a vigorous agitation had begun in New York for the restoration of peace. Mr. William Randolph Hearst, the well-known editor of widely circulated newspapers, and other well-known personalities, called together great meetings at which America's historical mission was said to be the stopping of the wholesale murder that was going on in Europe. At this time I was, together with several other gentlemen, staying with James Speyer, the banker, at his country house. The host and the majority of the guests, among whom was the late ambassador in Constantinople, Oscar Straus, were supporters of the prevailing pacific movement. The question of American mediation was eagerly discussed at the dinner table. Mr. Straus was an extremely warm adherent of this idea. He turned particularly to me because the German Government were regarded as opponents of the pacifist ideas. I said that we had not desired the war and would certainly be ready at the first suitable opportunity for a peace by understanding. Thereupon Mr. Straus declared that he would at once travel to Washington and repeat my words to Mr. Bryan. Immediately after dinner he went to the station and on the following day I received a wire from the Secretary of State, asking me to return to Washington as soon as I could to discuss the matter with him. There we had a long interview in his private residence, with the result that an American offer of mediation was sent to the Imperial Chancellor. Meanwhile Mr. Straus had

gone to the ambassadors of the other combatant Powers, who all more or less rejected the proposal. The friendly reply of the German Government coincided in principle with what I had said, but added that Mr. Bryan should first address himself to the enemy, as the further course of the negotiations depended on their attitude, which was not yet known. The American Government never returned to the question and I had no reason to urge them to do so. Any importunity on our side would have given an impression of weakness. Nevertheless this interlude was so far favorable to us that it contrasted our readiness for negotiation with the enemy's refusal.

In consequence of the failure of their first attempt to intervene the American Government thought it necessary to exercise more restraint. In spite of this, however, President Wilson, before the end of the winter of 1914-15, sent his intimate friend, Colonel Edward M. House, to London, Paris and Berlin, in order to ascertain semi-officially whether there were any possibilities of peace.

Mr. House, who lived in an unpretentious abode in New York, occupied a peculiar and very influential position at the White House. Bound to the President by intimate friendship, he has always refused to accept any Ministerial appointment, either at home or abroad, although he was only possessed of modest means and could certainly have had any post in the Cabinet or as an ambassador that he had liked to choose. In this way he remained entirely independent, and since President Wilson's

entry into office, was his confidential adviser in domestic, and particularly in foreign politics. As such Colonel House had a position that is without precedent in American history. During his stay in London, at this time, he is said to have described himself to the wife of an English Cabinet Minister, herself not favorably disposed towards America, as the "eyes and ears of the President." I know from my own experience how thoroughly and effectively he was able to inform his friend on the European situation, and how perfectly correctly, on the other hand, he interpreted Mr. Wilson's views.

It was not easy to become more closely acquainted with Colonel House, whose almost proverbial economy of speech might be compared with the taciturnity of old Moltke.

Unlike the majority of his fellow-nationals, and particularly his immediate fellow-countrymen of the Southern States, Colonel House, while possessing great personal charm and the courtesy that is characteristic of the Southern States, is reserved and retiring. It took a considerable time before I got to know this able and interesting man at all intimately. I did not become intimate with him until the time of the journey to Berlin already mentioned. Even then it was the earnest wish of Colonel House to obtain for his great friend the chief credit of being the founder of peace. Colonel House was particularly well fitted to be the champion of the President's ideas. I have never known a more upright and honorable pacifist than he. He had a horror of war because he regarded it as the contradiction of

his ideals of the nobility of the human race. He often spoke with indignation of the people who were enriching themselves out of the war, and added that he would never touch the profits of war industry. He afterwards repeatedly told me that he had spoken as energetically in London against the blockade, which was a breach of international law, as against the submarine war in Berlin. Both these types of warfare were repugnant to the warm, sympathetic heart of Colonel House. He could not understand why women and children should die of hunger or drowning in order that the aims of an imperialist policy, which he condemned, might be attained. At the same time he was convinced that neither of these types could decide the war, but would only serve to rouse in both the combatant countries a boundless hatred which would certainly stand in the way of future co-operation in the work of restoring peace. In many of his remarks at that time, Colonel House proved to be right, since the war was decided mainly by the entry of America and the consequent overwhelming superiority in men, money and material.

Meanwhile, as a result of the traffic in munitions, feeling in Germany had turned sharply against the United States. Our position with regard to this question was very unfavorable as we had no legal basis for complaint. The clause of the Hague Convention which permitted such traffic had been included in the second Hague Convention at our own suggestion. Nevertheless it was natural that the one-sided support of our enemies by the rapidly growing American war industry roused

strong feeling in Germany. As a result there began a controversy with the American Government similar to that with England during the war of 1870-71. Even in the United States there was a considerable minority which disapproved of the munitions traffic, though on moral rather than political or international grounds. It goes without saying that the agitation of this minority was supported in every way by the German representatives. There was no law in America to prohibit such support, which could not, moreover, be regarded as a breach of American neutrality. It is true that in this way a few Germans got themselves into an awkward position because they were suspected of stirring up the German-Americans, who together with the Irish played a leading part in the agitation against the Government. In particular, Dr. Dernburg became unpopular in America, since he began to address meetings in addition to his journalistic work. The Washington Government regarded him as the leader of the "hyphenated Americans" who were opposing the policy of the President's Administration, because the latter took up the strict legal standpoint that the traffic in munitions was permissible, and that it would therefore be a breach of neutrality in our favor if such traffic were forbidden after the outbreak of hostilities. President Wilson himself even had an idea of nationalizing the munition factories, which would have rendered traffic with the combatant Powers a breach of international law. When, however, he sounded Congress on this matter, it became evident that a majority could not be obtained for such a step. The United States

had already brought forward a similar proposal at the Hague Conference with the intention of conceding one of the chief demands of the pacifists. It was in wide circles in America an axiom that the munitions factories were the chief incentives to war. As during the first winter of the war there were very few such factories in America the President's plan was not merely Utopian but meant in all seriousness, in which connection it should be noted that American industrial circles were among Mr. Wilson's bitterest opponents. If Mr. Wilson's proposal had been known to German public opinion he would have been more favorably judged.

The negotiations which I had to carry out on this question of the munitions traffic concerned themselves also with the question of the coaling of our ships of war. This was based on an agreement between the American Government and the Hamburg-Amerika line. The port authorities had at first shown themselves agreeable. As a result of the English protest the attitude of the American Government became increasingly strict. With the actual coaling I had nothing to do. That came within the sphere of the Naval Attaché, who, for obvious reasons connected with the conduct of the war at sea, kept his actions strictly secret. My first connection with this question was when I was instructed to hand over to the American Government the following memorandum, dated 15th December, 1914:

"According to the provisions of general international law, there is nothing to prevent neutral States from allowing

contraband of war to reach the enemies of Germany through or out of their territory. This is also permitted by Article VII. of the Hague Convention of the 19th October, 1907, dealing with the rights and duties of neutrals in the case of land or sea war. If a State uses this freedom to the advantage of our enemies, that State, according to a generally recognized provision of international law, which is confirmed in Article IX. of the two aforesaid Conventions, may not hamper Germany's military power with regard to contraband through or out of its territory.

"The declaration of neutrality of the United States takes this view fully into account since the furnishing of contraband of war to all combatants is likewise permitted: 'All persons may lawfully and without restriction by reason of the aforesaid state of war, manufacture and sell within the United States, arms and ammunitions of war and other articles ordinarily known as contraband of war.'

"This principle has been accepted in the widest sense by the public declaration of the American State Department of the 15th October, 1914, with regard to neutrality and contraband.

"Nevertheless different port authorities in the United States have refused to supply the necessary fuel to merchant vessels in which it might be carried to German ships of war on the high seas or in other neutral ports. According to the principles of international law already mentioned, there is no need for a neutral State to prevent the transport of fuel in this way; such a State then ought not to hold up merchant ships loaded in this

way nor interfere with their freedom of movement, once it has countenanced the supply of contraband to the enemy. The only case in which it would be the duty of such a nation to hamper the movements of these ships in this one-sided fashion would be one in which such traffic might be turning the ports into German naval bases. This might perhaps have been the case if German coal depots had been situated at these ports, or if the ships used them for a regular calling port on their way to the German naval forces. It is, however, unnecessary to urge that the occasional sailing of a merchant ship with coal for German ships of war does not make a port into a base for German naval enterprises out of keeping with neutrality.

"Our enemies are obtaining contraband of war from the United States, in particular rifles, to the value of many milliards of marks; this is within their rights. But toleration becomes serious injustice if the United States refuses to allow the occasional provisioning of our ships of war from her ports. This would mean unequal treatment of the combatants and a recognized rule of neutrality would be infringed to our disadvantages."

This memorandum played an important part in the subsequent negotiations, because Mr. Flood, the president of the Committee for Foreign Affairs of the American House of Representatives, interpreted it as amounting to a German agreement to the supply of arms and ammunition to her enemies.

In view of the situation in the United States, it was to our

interest to leave the struggle for a prohibition of the munitions traffic to our American friends. The efforts of Senator Stone in this direction are well known, and have been recently quoted before the Commission of the German National Assembly. If a considerable number of influential Americans took up the case for the prohibition there was far more hope of bringing it about than if it was apparent that the American Government were surrendering to German pressure. The pacifist Mr. Bryan was very sensitive on this point and visited me frequently to assert his neutrality.

I therefore advised the Imperial Government in this matter not to send an official Note for the moment, so that the American agitation in favor of the prohibition of munition traffic might have full freedom for development. As, however, our enemies continually harked back to the idea that the Imperial Government did not take exception to the supply of munitions, I was forced, as the result of continual pressure from our American friends, to alter my attitude, and, after receiving permission from Berlin, to hand to the Washington Government on 4th April, 1915, a memorandum, of which I give the most important part here.

"Further I should like to refer to the attitude of the United States towards the question of the export of arms. The Imperial Government is convinced that the Government of the United States agree with them on this point, that questions of neutrality should be dealt with not merely with regard to the strict letter, but the spirit also must be taken into consideration, in which

neutrality is carried through.

"The situation arising out of the present war cannot be compared with that in any previous war. For this reason no reference to supplies of arms from Germany in such wars is justified; for then the question was not whether the combatants should be supplied with material but which of the competing States should secure the contract.

"In the present war all the nations which possess a war-industry of any importance are either themselves involved in the war, or occupied with completing their own armament, and therefore have prohibited the export of war material. The United States are accordingly the only neutral State in a position to supply war-material. The idea of neutrality has, therefore, assumed a new significance, which is quite independent of the strict letter of the laws that have hitherto prevailed. On the other hand the United States are founding a gigantic war industry in the broadest sense, and they are not only working the existing plant but are straining every nerve to develop it and to erect new factories. The international agreement for the protection of the rights of neutrals certainly arose from the necessity of protecting the existing branches of industry in neutral countries as far as possible against an encroachment upon their prerogatives. But it can in no way accord with the spirit of honorable neutrality, if advantage is taken of such international agreements to found a new industry in a neutral State, such as appears in the development in the United States of an arms-industry, the output

of which can, in view of the existing situation, be solely to the advantage of the combatant powers.

"This industry is at present only delivering its wares to the enemies of Germany. The readiness, in theory, to do the same for Germany, even if the transport were possible, does not alter the case. If it is the desire of the American people to maintain an honorable neutrality, the United States will find the means to stop this one-sided traffic in arms, or at least to use it for the purpose of protecting legitimate commerce with Germany, particularly in respect of foodstuffs. This conception of neutrality should appeal all the more to the United States in view of the fact that they have allowed themselves to be influenced by the same standpoint in their policy in regard to Mexico. On the 4th February, 1914, President Wilson, according to a statement of a member of Congress on 30th December, 1914, before the commission for foreign affairs with regard to the withdrawal of the prohibition of the export of arms to Mexico, said: 'We shall be observing true neutrality by taking into consideration the accompanying circumstances of the case… He then took up the following point of view: 'Carranza, in contrast to Huerta, has no ports at his disposal for the importation of war-material, so in his case we are bound, as a State, to treat Carranza and Huerta alike, if we are to be true to the real spirit of neutrality and not mere paper neutrality.'

"This point of view, applied to the present case, indicates prohibition of the export of arms."

Although during the war all Notes were at once made public, the American Government were very annoyed at my publishing this memorandum, which in any case would have met with no success. The agitation for the prohibition of the export of arms and munitions was vigorously pressed, and in spite of the "*Lusitania* incident" never completely subsided. But the American Government held to their point of view, which they explained to me on the 21st April, as follows:

"In the third place, I note with sincere regret that, in discussing the sale and exportation of arms by citizens of the United States to the enemies of Germany, Your Excellency seems to be under the impression that it was within the choice of the Government of the United States, notwithstanding its professed neutrality and its diligent efforts to maintain it in other particulars, to inhibit this trade, and that its failure to do so manifested an unfair attitude toward Germany. This Government holds, as I believe Your Excellency is aware, and as it is constrained to hold in view of the present indisputable doctrines of accepted international law, that any change in its own laws of neutrality during the progress of a war which would affect unequally the relations of the United States with the nations at war would be an unjustifiable departure from the principle of strict neutrality by which it has consistently sought to direct its actions, and I respectfully submit that none of the circumstances urged in Your Excellency's memorandum alters the principle involved. The placing of an embargo on the trade in arms at the present time would constitute such a change

and be a direct violation of the neutrality of the United States. It will, I feel assured, be clear to Your Excellency that, holding this view and considering itself in honor bound by it, it is out of the question for this Government to consider such a course."

In the meantime, Colonel House returned from Europe without having met with any success, but he had opened useful personal relations. The Governments of all the combatant Powers then held the opinion that the time had not yet come when they could welcome the mediation of President Wilson. Colonel House, however, did not allow the lack of success of his first mission to deter him from further efforts, and remained to the last the keenest supporter of American mediation. Since this journey Colonel House and I became on very friendly and intimate terms, which should have helped to bring about such a peace.

CHAPTER IV
ECONOMIC QUESTIONS

In the preceding chapter I mentioned that Dr. Dernburg's plan for raising a loan in the United States had failed. Later the direction of all our economic and financial affairs passed into the hands of Geheimrat Albert. His original task was to organize in New York extensive shipments of foodstuffs, particular wheat and fats, which were to be exported through the New York office of the Hamburg-Amerika line. This depended, in the first place, on the possibility of raising the necessary funds, and in the second, on the possibility that England, out of regard for the neutrals, and particularly the United States, would be compelled to abide by the codified principles of international law. Neither of these premises materialized.

As the necessary means for carrying through the scheme could not be raised it might have been possible to finance it if the Government had taken over the not inconsiderable funds of the German banks and the great industrial enterprises, e.g., the chemical factories in the United States, and used them for the shipments. The suggestions we made to this effect were not answered until the end of August, when we arrived in New York and had already lost many weeks in trying to negotiate the loan. One organ, which immediately after the war had taken

up these questions on its own initiative, failed, and so nothing was done in the whole wide sphere of credit, supply of raw materials and foodstuffs and shipping until my arrival with the other gentlemen, so that the most favorable opportunity was lost. Remittances from Germany did not arrive until long afterwards, and then only to a very modest extent. Consequently the whole economic scheme was considerably narrowed and hampered from the beginning.

The second assumption, that the United States, in consideration of her great commercial connections with Germany, would maintain her rights as a neutral State to unrestricted sea trade within the provisions of international law, proved to be unfounded. The United States, at any rate according to the view of some very distinguished Americans, as, for example, in the journal *New Republic*, violated the spirit of neutrality when she allowed commerce of the neutrals one with another to be strangled by England. To the interest in traffic with the neutral States, and indirectly with Germany, was opposed the interest in the still greater trade with our enemies, to which was added, and indeed to a rapidly increasing extent, the supply of war material. The United States did not realize the extent of their economic power in respect of England, as the inexperienced, newly-appointed Democratic Government had no statistics to which to refer, and from a military point of view were defenceless for want of an army or fleet. So England was able, slowly and cautiously, but surely, to cut off the Central Powers from the

American market. In view of this state of things the important thing was to pass all shipments off as neutral. The exporter had to be an American or a subject of neutral Europe. The financing had also to be European, at any rate outwardly. The destination could only be a port in Holland, Scandinavia, Spain or – at that time – Italy. Consequently it was not long before the consignments could no longer be made through the New York representative of the Hamburg-Amerika line, but were taken in hand by Herr Albert himself, who merely availed himself of the professional advice of the Hamburg-Amerika line.

All decisions therefore could emanate from the same source, which prevented loss of time, especially as the financial responsibility also rested with Herr Albert. The most important thing, however, was that attention was distracted from the shipping, as for a long time Herr Albert remained unknown, whereas the Hamburg-Amerika line from the first was kept under the closest observation by England. On the other hand, this arrangement exposed the cargoes to condemnation by the English prize courts as they were now State-owned. But Herr Albert could assume – and, as it turned out, rightly – that so long as the English respected neutral property, it would be difficult as a rule to trace the shipments back to him. Otherwise there would have been no security for a German private undertaking.

In carrying out his task, Herr Albert at first shipped the purchased goods by the usual lines (Scandinavia-American line). Soon, however, difficulties arose, because these lines, in order

to avoid being held up in English ports, would no longer accept cargoes which were intended, if possible, for Germany, so a special line was formed sailing under the American flag. The direction of this line was in the hands of an American firm who represented themselves as the owners, whereas, in reality, the ships were chartered by Herr Albert. As, at the beginning of the war, the American flag was more respected by the English than those of the other neutrals, a number of these ships got through without much delay. Later this method of shipping also became impossible. Then single ships were chartered – mostly under the American flag – and when the owners, from fear of loss, refused the charter, or when outrageous conditions made chartering impossible, they were bought outright. The ships were consigned as blockade runners to a neutral port, and later either made direct for Germany or were taken in by a German ship of war. As the most important examples I may mention the *Eir, Maumee, Winneconne, Duneyre, Andrew, Welch* and *Prince Waldemar*.

With the tightening up of the English measures and blockade these undertakings became increasingly difficult, and finally had to be abandoned. Moreover the cost and the trouble of preparation grew out of all proportion to the results. Every individual shipment had to be prepared long beforehand. Out of ten attempts often only one would succeed. Very often an attempt which had cost weeks of work would fall through at the last moment owing to the refusal of credit by the banks, particularly

when the political position was strained, or to an indiscretion, or English watchfulness, or difficulties with the American port authorities.

The English surveillance had assumed dimensions that would not have been possible without the tacit connivance, which at times became active support, of the American authorities. Not only did the English consuls demand that in each individual case the bills of lading should be submitted to them, but in addition to this an efficient surveillance and spy service was organized, partly by American detective bureaus and partly by a separate and wide-reaching service. The English had confidential agents in all the shipping offices, whose services had for the most part been acquired by bribery. At various times attempts were made to break into Herr Albert's office, to learn the combination for opening his safe, to get hold of papers through the charwomen and other employees, and even to rob him personally of papers. The control of the American port authorities was within the letter of the law, but in practice it worked very unfavorably to us. The regulation was that ship and cargo must be consigned to a definite port. This regulation was drawn up purely for purposes of statistics, and consequently no importance was attached to it before the war. As a rule the bills of lading were filled in by subordinate employees of the exporter. Soon after the outbreak of the war a special "neutrality squad" was attached to the "Collector of the Port of New York" whose duty it was to maintain strict neutrality by seeing that the said laws

were properly observed. This led, in cases where there was a suspicion that the cargo was not intended for the given port of destination, but for Germany, to an exhaustive inquiry. This measure could not fail to act as a deterrent, and even Herr Albert was seriously hampered in his enterprises. The whole system amounted to a complement of the English blockade. When Herr Albert finally succeeded in coming to an agreement with the Customs authorities in this matter a great number of opportunities had been missed and the shipments had been made practically impossible by the tightening of the English blockade.

There was no question of entrusting the shipping to American exporters who had had long experience of German trade. Herr Albert from the first considered it advisable to interfere as little as possible with the existing business relations between the two countries, and he left it to the firms trading with Germany to carry through their commissions as best they could. This method of supplying Germany with food, however, completely failed. The fault also lies partly with the importers in Germany. In these circles it was for a long time hoped, but in vain, to obtain consignments from American firms. Further, they clung too long to the business methods of peace, demanded estimates, bargained about prices, and, most important of all, did not realize that the risk to the exporter as a result of the English blockade made special compensation or payment necessary. In consequence the valuable time at the beginning of the war was lost. Very soon, however, the American exporters

withdrew completely, because those who had had previous business relations with Germany were known to the English, and so were suspected and finally placed on the black list. A shipment by one of these firms would then at once have been marked down as destined for Germany, and would have run risk of capture. Herr Albert, therefore, made use of special agencies. At first, in addition to employing Danish firms, he founded several new American export companies. These new organizations were of course only available for a short time, and, as soon as they came under English suspicion and were consequently rendered useless, had to be replaced by others.

The reproach that has been made from time to time that these enterprises were confined to a small clique of confidential persons and firms seems to be unjustified by the facts. The circumstances demanded the closest possible secrecy, for otherwise the origin and destination of the cargoes would have been discovered by the English secret service before they left New York. This would have involved the complete loss of the cargo as a result of the English embargo. That firms already engaged, even though for a short time, in German-American commerce could not be considered is obvious. Not only were they known to the English, but in some cases their German names already laid them open to suspicion. Accordingly, their occasional requests that they should carry through enterprises of this nature were consistently refused. This criticism is only made by a small circle of German-American firms grouped round the

German Union and the so-called German-American Chamber of Commerce, and originated in an anxiety, understandable but based on an inadequate knowledge of the facts, to participate in the undertakings.

Although the export of raw material did not actually come within the scope of Herr Albert's original commission, it often became necessary, at special request or from the nature of the case, to lend a helping hand in the export of raw material, particularly wool and cotton. In this way, in the autumn of 1914, the American steamer *Luckenbach* was successfully run through direct to Germany with several million pounds of wool on board. With regard to cotton, Herr Albert, also in the autumn of 1914, by negotiations which he carried on through me with the State Department and the Foreign Trade Adviser, succeeded in obtaining English recognition that cotton should not be regarded as contraband of war. Even after this recognition, England made the export of cotton practically impossible by intimidating the cotton exporters in every possible way, among others by spreading the rumor that the ships would be captured nevertheless, and by prohibiting English insurance companies from underwriting such cargoes. Here Herr Albert intervened by effecting the insurance through German insurance companies, and proved by the loading and arming of cotton ships, e.g., the American ship *Carolyn*, that the threat of capture was not to be taken seriously but was simply an attempt at intimidation on the part of the English. In this way, confidence was so far restored

that in the autumn of 1914 and the beginning of 1915 a large number of other firms joined in the business. When, later, cotton was made unconditional contraband of war, Herr Albert made attempts to fit out blockade runners – which ended with the arrival at a German port of the *Eir* with 10,000 bales of cotton.

The various attempts to export copper, rubber and other raw materials which were unconditional contraband, apart from the cases already mentioned of wool and cotton, proved impossible, in spite of repeated, extensive and very cautious preparation. A very ambitious scheme of this kind with the S.S. *Atlantic* had to be abandoned at the last moment owing to difficulties with the port authorities.

All these enterprises, the purchase, sale and shipment of foodstuffs and raw material, the chartering, buying and selling of ships, the founding of shipping lines, new companies, etc., as well as the financial business had their political as well as their purely business side. They were either intended to serve as precedents in the definite phases of development of international maritime law or to exert influence on American public opinion from an economic point of view.

When the result of these shipping enterprises is weighed after the event, it will be seen that they did not play a decisive part in the supply of Germany with foodstuffs and raw material. Germany would during the first year of war have managed to get along even without the few hundred thousand tons which in this way were brought in via neutral countries. Nevertheless,

in conjunction with the imports from neutral countries, they several times served to relieve the situation. Very important in this respect was the successful struggle for the free import of cotton at the end of 1914 and the beginning of 1915, quite apart from our own shipments. Without this we should have come to an end of our supplies considerably earlier.

The question of war and marine insurance very soon called for particular attention to the interests of our own shipping. The American insurance market was dominated by the English companies. The latter not only conducted about two-thirds of the whole insurance business of the country, but also exerted a decisive influence on the American companies. In addition to this, they held an authoritative position as holding a share of the capital. England very soon gave instructions that English insurance companies should not participate in any business in which German interests were in any way involved. Consequently in making shipments to neutral countries, we were faced with great difficulties, for the power of the German insurance companies and the few American companies that were independent of England did not suffice.

The two most important German companies with branches in New York, the *Norddeutsche Versicherungsgesellschaft* and the *Mannheimer Versicherungsgesellschaft*, which was excellently, actively, and very loyally represented in New York by the firm F. Hermann & Co., at first offered an insurance limit of about 75,000 dollars, that is 150,000 dollars together, which in any

case was insufficient. At first they had no authority to undertake war insurance.

The economic importance of the insurance question is obvious on the face of it. No marine insurance was possible without war insurance. In particular the American Government bureau for war insurance made the covering of the marine insurance an essential condition. This example was followed by all the American insurance companies. A satisfactory settlement of the insurance – both war and marine – on the other hand was a necessary condition for the financing of the shipments. The shippers only obtained credit from the bank on handing over the insurance policies. In addition to this it came about later that the few American shipping lines which remained independent of England, and so were on the black list, were no longer in a position to cover the "Hull Insurance," i.e., the insurance of the ship herself, and therefore the solution of the insurance question became a necessary condition for obtaining freight space. Here too, then, it was to our interest to come to the rescue, because otherwise the lines in question would have been forced to come to an understanding with the English firms, which would have placed their tonnage at the service of our enemies.

To begin with, Herr Albert himself undertook the insurance in cases of exceptional importance. It was at most a question of a small balance, by the furnishing of which an immediate risk or a dangerous delay in shipment was avoided. Our chief efforts were directed towards raising the insurance limit of the

German companies. As a result a pool of German insurance companies was formed whose limit for marine and war insurance was gradually raised more and more. In this way it was possible to carry through a number of shipments to European countries, to keep a not inconsiderable tonnage – about 30,000 tons – out of the hands of the Allies, as well as to enable a number of important German firms in South America to carry on extensive trade between North and South America, and so to maintain their business activity in spite of the measures adopted by the English.

About our propaganda I have already spoken in detail in the second chapter. It may be mentioned again here that the centre of gravity of our active propaganda lay in the economic question, which was to a certain extent the key to the understanding of our American policy during the war.

Though the vast and rapid development of American export trade through the trade in war material, and the change in position from debtor to creditor, was only effected gradually, and the loss of the German market at first made itself adversely felt both actively and passively, the size of the contracts from the Allies and the consequent profits at once acted like a narcotic on public opinion. This was all the more the case as a result of the extraordinarily skilful way in which the English handled the question. They always proceeded cautiously and gradually. For instance, they at first accepted the Declaration of London in principle, but made several alterations which to the public, who did not realize the extent of their effect, seemed unimportant and

which yet formed the basis for the gradual throwing overboard of the Declaration of London. After public opinion had grown accustomed to the English encroachments and the interests affected had been pacified by the Allied contracts, the blockade was introduced after careful preparation in the Press; it was not at first described as a blockade, but was gradually and systematically tightened. Among other things, the export of cotton to Germany was expressly agreed to at the end of 1914, but was afterwards hampered in practice by various measures, as, for example, the holding up of individual ships, and the refusal of marine insurance, and finally brought to an end by the declaration of cotton as unconditional contraband. It is characteristic that the declaration of cotton as unconditional contraband was made public on the very day on which the whole American Press was in a state of great excitement over the *Arabic* case, so that this comparatively unimportant incident filled the front pages and leading articles of the newspapers, while the extremely important economic measure was published in a place where it would hardly be noticed.

We made vigorous efforts to oppose this English step. We got into touch with the importers of German goods, who formed an association and forwarded a protest to Washington. Without attracting attention, we gave the association the assistance of a firm of solicitors, whose services were at our disposal, as legal advisers. Relations were entered into with the cotton interest, which, through the political pressure of the Southern States,

exerted great influence on public opinion and in Congress. Various projects for buying cotton on a large scale for Germany were considered, discussed with the cotton interest and tested by small purchases. In the same way negotiations were entered upon with the great meat companies, the copper interest and others by systematic explanation and emphasis of the interests with regard to the German market. The result, partly for the reasons given, partly owing to the political development of the general relations between Germany and the United States, was small. This, however, can hardly be taken as an argument against the expediency of the steps taken as at that time. No one could foresee the later development of the war and particularly the length of time it was going to last; whereas had the war been shorter there is no doubt that these measures would have attained their object.

An important part of the economic propaganda was the institution of the so-called "Issues," i.e., the attempt by carefully construing individual incidents to make clear to public opinion the fundamental injustice of the English encroachments and their far-reaching consequences in practice. The most important case in this direction is that of the *Wilhelmina*. According to the prevailing principles of international law, foodstuffs were only conditional contraband. They might be imported into Germany if they were intended for the exclusive use of the civil population. As, however, England succeeded in restraining the exporters from any attempt to consign foodstuffs to Germany, especially

as in view of the enormous supplies that were being forwarded to our enemies they had little interest in such shipment, the question never reached a clear issue. Herr Albert therefore induced an American firm to ship foodstuffs for the civil population of Germany on the American steamer *Wilhelmina*, bound for Hamburg, by himself undertaking the whole risk from behind the scenes. This was arranged in such a way as to preserve in appearance the good faith of the American firm, and to make the shipment seem purely American in the eyes of the American Government and the English.

The *Wilhelmina* was taken by the English into Falmouth and detained on the grounds that Hamburg was a fortified town, and that, according to the measures adopted by Germany for supplying the civil population with food – requisitioning, centralization of distribution, etc. – there was no longer any distinction between the supply of the military and the civil population. While the negotiations on this question were still in the air, and seemed to be progressing favorably for us, England resorted to a general blockade. Consequently the case lost its interest, both practical and as a question of principle, especially as England declared her readiness to pay for the goods at Hamburg prices. As, on the other hand, insistence on the purely theoretical claims would give rise to the danger that the English or American secret service might in the end succeed in proving the German origin of the undertaking, Herr Albert accepted the proffered payment of the English Government, and received as

compensation a sum which covered all the expenses.

Such incidents could have been construed in several ways. One of the most important, and also the most popular, was the shipment of cotton to Germany for the civilian population between the autumn of 1915 and the middle of 1916. The declaration of cotton as absolute contraband was at first only on paper, as no American exporters had hitherto ventured to ship cotton. Consequently, detailed discussions took place as to whether such an undertaking should be entered upon in the full light of publicity. Great excitement among the cotton growers proved the extremely keen and widespread interest. England would have been forced to act on her declaration at a time when the American Government could not afford to ignore the interests of the cotton industry, with its influence on domestic politics. The full effect of the meagreness of the crops, and on the other hand the increase of consumption in the United States, and consequent rise in price, was not yet realized by the public, nor even in cotton circles. The cotton industry viewed with anxiety the increased difficulty of finding a market, and were anxious for a reopening of that of the Central Powers.

Certainly a shipment of cotton to Germany would only have been justified in conjunction with comprehensive other measures, particularly purchases on the American cotton market on German account. As a result of detailed discussion with American interested parties, who repeatedly urged us to such a step, we forwarded proposals to Berlin on these lines. Their

general purport was that about a million bales of cotton should be bought outright on behalf of Germany, and that in addition options should be secured on a further million or two million bales on the understanding that the taking up of the options should be dependent on the possibility of shipment to Germany. On the strength of these measures the shipment of one big consignment should have been undertaken. The plan had sound prospects of success. In any case there would have been no risk worth mentioning, as, to the initiated, there was no doubt as to the rise of prices. In view of the new bank legislation (Federal Reserve Act), no insuperable difficulties would have stood in the way of financing the shipment. The indirect political pressure on the American Government and public opinion, with its reaction on England, would have been considerable.

Unfortunately the plan was frustrated by the taking up of the matter in America direct from Germany, without regard to the shipment difficulty, without going into the question of the options and without knowledge of the political or economic situation. Bremen actually placed a contract in New York for one million bales to be delivered in Bremen at a fixed price. It was, however, clear from the first to anyone acquainted with the circumstances that such a step was bound to be futile. The whole thing turned on the question of shipping. The American Press, again under English influence, at once pointed the finger of scorn, saying that the contract was not meant seriously, but was merely a piece of bluff for purposes of German propaganda.

After this had brought about the collapse of the more ambitious plan, the shipment of a single cargo still continued to be discussed and detailed preparations were made. The idea had, however, to be abandoned, because the difficulties of passing off the shipment as a purely American enterprise were practically insuperable without the background of great economic measures, which placed the cost out of all proportion to the chances of success. The whole cost, as in the "*Wilhelmina* case" would have to be guaranteed from Germany, and would of course have been lost if the English secret service succeeded in establishing the German connection.

The propaganda for preventing and hampering the supply of war material to our enemies turned at first on the question of principle whether such supplies were reconcilable with neutrality. The attempt was made – as has been briefly mentioned already – with the special support of the German-American circles, to impress upon the American people the immorality and essentially unneutral nature of the supplies, especially in view of the vast scale they were assuming. It is well known that these attempts, which extended to a strictly legal exertion of influence on Congress, failed. The lack of unity and limited political experience of the German-Americans contributed to this result, but the economic interest of the nation in the supplies, in which the whole American Administration and industry were finally concerned, formed the decisive factor.

Attempts too were very soon made to hamper the supplies

in a practical way. In August, 1914, it might perhaps have been possible to buy up the Bethlehem Steel Works, if the outlay of the necessary capital had been promptly decided upon. At that time the Americans themselves did not foresee what a gigantic proportion these supplies were to assume. The purchase of these works would have deprived the whole munition industry of its main support. Similar proposals have repeatedly been worked out by us, as, for example, the proposal to amalgamate the whole shrapnel industry of the United States. The fear, well grounded in itself, that such an arrangement was scarcely within the bounds of practical politics and could have been got round, could be ignored. In case of disputes as to the validity of such a step we should have gained more by the publicity than we stood to lose. At that time, however, the Berlin Government took up a negative attitude, and did not interest itself in the question until the beginning of 1915, when the vast supplies of material from America began to make themselves felt and the concentration of German industry on the production of munitions was not yet complete. The Military Attaché received instructions to do everything possible to hamper the fulfilment of the great outstanding French and Russian contracts for shrapnel, which was at that time still the chief shell used by the Allies. This was done successfully, if on a small scale, by founding an undertaking of our own, called the Bridgeport Projectile Company, and entering into contracts to establish the most important machinery for the manufacture of powder and shrapnel. Through this

company, which originally passed as entirely American, the special machinery required for the manufacture of shrapnel was bought on a scale which seriously affected the American output, and in particular hindered the acceptance and carrying through of further contracts from the Allies for a considerable time. Herr Albert assisted and advised the Military Attaché in making these contracts, arranged the financing of the enterprise later on, and worked at its development after Herr von Papen's departure.

Still more successful were the efforts to remove from the market the surplus benzol, which is the raw product for the production of picric acid. The benzol was bought up by a company specially formed for the purpose, who sent it to a chemical works under German management to be manufactured into salicylic preparations. These products were sold for the most part for the American market, and also, with the approval of the Ministry for War, exported to neutral countries. The undertaking was eventually closed down after making considerable profits for the Imperial Treasury. In the same way, for some time, all the bromine coming on to the market, the products of which were used to manufacture and increase the density of gas, were bought up.

To these efforts to hamper and delay the supply of war material belonged also the much-discussed agreement with the Bosch Magneto Company, the American branch of the Stuttgart firm. The substance of the arrangement was that this company, which was under German direction, should not immediately

refuse Allied contracts for fuses, but should appear to accept them and delay their fulfilment, and, to complete the deception, even occasionally deliver small quantities, and finally, at the last moment, refuse to complete the contract. This procedure was attacked at the time by a German-American journalist, von Skal. On the strength of short notices which Herr von Skal published in the German Press, in ignorance of the real state of the case, public opinion in Germany turned against the parent firm, the Bosch works in Stuttgart. The question then became the subject of my reports, and was submitted to an inquiry by the home authorities and the courts. I still hold to my opinion that the whole affair was unnecessarily exaggerated by German public opinion, and that the detailed investigation into its legality by the home authorities and courts was unnecessary, as the managing director of the American branch and the directors of the German company had acted in perfect good faith in an attempt to advance the interests of the German cause. It was merely a question of the result. If their policy of procrastination had succeeded in delaying the contracts and had kept our enemies for a considerable time from building their own factory for fuses and aeroplane magnetoes, their action would have been justified; in the contrary event it would have been vain, but blameless from a moral and legal point of view. The fact that at the beginning the English relied on the possibility of the production and supply of such fuses from America, and only later gradually came to a decision to build and fit out their own factories, consequently

under much more difficult circumstances, offered an opening for this procedure. That difficulties were caused to the enemy in this respect until quite recently is unmistakably shown by the messages that reached America from England.

As a result of the extensive purchases of the Allies, there came about a gradual change in the attitude of the American Government to the question of issuing loans. At the end of March, 1915, we succeeded, acting on instructions from Berlin, in raising a small loan. It involved an unusual amount of trouble. The American financial world was already completely dominated by the Morgan trust. This domination resulted from the fact that the Allied commissions were concentrated in English hands and were placed by England in the hands of J. P. Morgan & Co., who acted as the agents of the English Government. As these commissions finally included every sphere of economic life, all the great American banks and bankers were called upon, and so drawn into the Morgan circle. The result was that no big firm could be induced to undertake a German loan. However, several trust companies of repute, who already had or wished to have business relations with Germany, declared their readiness to become partners in a syndicate if we succeeded in finding a "Syndicate Manager." A certain New York firm which afterwards made a name for itself, but at that time was comparatively unknown, seemed suited for this position. When all the preparations and preliminary agreements had been carried through, the trust companies, under the pressure of the Morgan

influence, declared that their names must not be associated with the syndicate. Meanwhile the matter had gone so far that withdrawal would have meant a moral surrender which would have been dangerous for our credit. Consequently, we had to make up our minds to negotiate the loan under the signature of this one firm, which was naturally undesirable for the general interest.

Looking back, I am of the opinion that we should have done better not to consider a loan in the United States, but to remit the necessary funds from Berlin. This had to be done later to redeem the loan, and at a time when the rate of exchange was much more unfavorable. When the loan was raised we had certainly no idea that it would have to be redeemed during the war, as we had reckoned on a shorter duration of hostilities. On the other hand there is no truth in the statement that this loan in some way cleared the way for further Allied loans. These loans, which were the natural result of the great supplies of material to the Allies, would have come in any case. We did, however, deprive ourselves by this loan of an argument to prove the defective neutrality of the United States.

In 1916 we succeeded in getting hold of some five millions in Treasury notes without formal loan negotiations.

Another economic question which occupied my attention was connected with the export of German dye-stuffs to the United States. In Berlin it was held that German dye-stuffs should be withheld from the United States as a lever for inducing them to

protest against the English blockade, and possibly have it raised. The same point of view was adopted with regard to other goods which were necessities for the United States, as, for example, potassic salt, sugar beetroot seed and other commodities. A change of view did not occur until the spring of 1916 at my suggestion. It is my belief that the withholding of these goods proved a serious mistake. The political aim of bringing pressure to bear on England with a view to the raising of the blockade was not realized. The American industry partly got over the difficulty by obtaining dye-stuffs in other ways – importation of German dyes from China, where they had been systematically bought, smuggling of German dyes via neutral countries, importation of Swiss dyes, introduction of natural dyes and dye-substitutes – but more especially by the foundation of a dye industry of their own. In the case of potash, they had simply to do with what little they could get; which was all the easier as the American manure manufacturers and dealers had already in their own interests begun a systematic propaganda to prove that potash was not indispensable, but could be replaced by their own products. It might be observed as a generalization that ultimately no individual product has proved to be really indispensable. The result of holding back our exports was therefore simply – apart from a quite unnecessary straining of political relations, since England succeeded in diverting all the odium on to us – a scarcity of important German commodities in the United States and the substitution of their own production.

Конец ознакомительного фрагмента.