

**THE IRON CIRCLE. THE FUTURE OF
GERMAN INDUSTRIAL EXPORTS;
PRACTICAL SUGGESTIONS FOR
SAFEGUARDING THE GROWTH OF
GERMAN EXPORT ACTIVITY IN THE FIELD
OF MANUFACTURES AFTER THE WAR**

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The Iron Circle. The future of German industrial exports; Practical suggestions for safeguarding the growth of German export activity in the field of manufactures after the war by S. Herzog

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THE IRON CIRCLE

*THE FUTURE OF GERMAN
INDUSTRIAL EXPORTS*

*Practical Suggestions for Safeguarding the Growth of
German Export Activity in the Field of Manufactures
After the War*

BY

S. HERZOG

CONSULTING ENGINEER

THE GERMAN PLAN TO DOMINATE THE TRADE OF
THE WORLD, DRAWN UP BY ONE OF THEIR LEAD-
ING ENGINEERS AND OBTAINED FROM GERMANY
BY THE UNITED STATES FOOD ADMINISTRATION

With an Introduction by

Herbert Hoover, Vernon Kellogg, and Frederic C. Walcott

TRANSLATED FROM THE ORIGINAL GERMAN BY
M. L. TURKENTINE

HODDER AND STOUGHTON

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PREFACE

THROUGH many years of activity as an industrial expert the author has gained an insight into the conditions of German industry and into its export activity. He has had an opportunity to compare its development and efficiency with those of other foreign industries. The War has created conditions and will be followed by circumstances which will shape and determine Germany's export trade in the future. These conditions must be taken into account and suitable measures adopted in preparation. New trails will have to be blazed if we are to overcome the obstacles ahead. An enormous task, worthy of the German people, is to be performed. The Author ventures to hope that the present work may be able to contribute a little toward its accomplishment.

THE AUTHOR.

INTRODUCTION

“If there is anything to be gained by being honest, let us be honest; if it is necessary to deceive, let us deceive.” Thus wrote Frederick the Great in the middle of the 18th Century—the man who laid the foundation of Pan-Germanism, which this world war was expected to achieve. Not content with dominion by force of arms, we find Germany plotting for commercial supremacy, with that insolent disregard of the rights of others and that resort to deception that has characterized all her policies since Frederick the Great’s reign.

The book of which this is a translation was written by an eminent German engineer and economist, and published in 1915, during the second year of the war. This book presents ingenious plans for driving home commercial victories at the expense of the trade of other countries. Like all of Germany’s plans

affecting other nations, the entire conception depends upon deceit and a superselfishness; not one word touching upon reciprocity, not one word in recognition of any international obligations.

It was obviously written exclusively for home consumption, and not intended for those outside the Iron Circle. It should be a warning to us. We should study it with care, and keep our eyes and ears alert for other warnings of this sort, that in peace we may be prepared to meet this design of commercial rapine, this crushing of the industries of other countries.

For forty years the Germans have been plotting to realize their dream of Pan-Germanism—eventual world conquest and dominion. For two generations they have been thinking in terms unknown or little understood by an innocent and unsuspecting world. The Prussian philosophy that might makes right, that the State is supreme, has completely possessed the ruling and upper classes of Germany, both military and commercial, until deception and fraud form the background of their most important international relations and undertakings. They have made Germany an inherently dishonest nation.

Their military plans were successfully concealed for years, and when their dreams of conquest did outcrop occasionally, there were few with an intimate enough knowledge of the complete premeditated and systematic degeneration of the German official character to read the handwriting on the wall.

Well-organized and comprehensive espionage and insidious German propaganda have been at work for two generations to plan the success of German victories. In the early 90's of the last century, the German Volkshule was organized to teach the masses absolute subserviency to the upper and governing classes, whose education diverged from that of the lower classes at the age of seven or eight. The education of these two classes has been so divergent for thirty years that the effects are now clearly traceable in the younger men in the Army, as contrasted with the members of the Landsturm Army. The Landsturm men are much more humane, and have a restraining influence in the Army. They have not been guilty of the excesses that are chargeable to the younger men. The younger men, schooled from infancy under the new system to obey orders in a machine-like way, under Prussian leadership, have become so ruthless,

so cruel, that the entire civilized world looks on aghast.

German rule means the breaking-down of all order, the exchange of personal liberty and national freedom for force, of right for might, of justice for the mailed fist.

The world should have been forewarned. Books were written, maps constructed, by well-known German authorities for the enlightenment of the German people, and these books reached the outside world, but civilization, accustomed to the pursuits of peace, turned a deaf ear, and is now paying the penalty for refusing to see and hear.

Now another conception comes out of the heart of Germany, that threatens the commercial interests of unsuspecting nations—carefully thought out, with characteristic German thoroughness, openly advocating the breaking down of all business ethics, relying upon trickery and circumvention to gain their end. This promises to stop at nothing, from national dumping of goods to crush competition to false labels and disguise of the origin and the breaking of contracts that prove disadvantageous to the German.

Let the manufacturing and banking interests and the labouring and professional classes of

all nations be warned in time to devise antidotes and counter-attacks to the Machiavellian devices of a class gone mad with lust of conquest, deliberately plotting to fatten itself upon the life blood of other peoples even after the war. Let us consider in making peace what protection we can give to the commercial existence of the freed nations.

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